



STRICTLY PRIVATE & CONFIDENTIAL
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The Chartered Institute of Loss Adjusters

Associateship Examination 2015 (October)

Paper C3 - Business Interruption

3½ Hours

Maximum Marks 200

Answer ALL questions in Part 1 and 2 questions from Part 2

Where appropriate, answers should make reference to relevant case law or statute.

PLEASE ENSURE THAT QUESTION NUMBERS ARE ENTERED CLEARLY AND IN FULL ON THE COVER OF YOUR ANSWER BOOK AND IN YOUR ANSWER BOOK.

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PART 1
ANSWER ALL QUESTIONS

QUESTION 1

- A. In a standard fire policy, Insurers seek to protect their right of recovery by means of the Subrogation Clause. Explain briefly the provisions of this Clause and whether it alters, in any way, the position applicable under Common Law.
(8 marks)
- B. Discuss, with reasoning and by reference to statute and case law as appropriate whether recovery may be available in the following circumstances. In each case, you represent the building insurers.
- i) A detached private dwelling insured by your Principals is severely damaged by fire. This originated in a timber outbuilding in the garden of the neighbouring house and spread to the boundary fence and then to the adjoining conservatory of the insured's property. The cause of the fire was not positively established but may have been due to an electrical defect, the outbuilding being connected to the mains supply.
(8 marks)
- ii) A building used for commercial purposes insured by your Principals and rented to a Tenant is damaged by an escape of water. Enquiries show that the cold water feed to a newly installed dishwasher in the staff kitchen failed due to being fitted incorrectly. The work was carried out personally by the Tenant who is not a qualified plumber.
(8 marks)
- iii) The position is the same as ii) above, but on this occasion the work had been carried by an independent plumbing contractor.
(8 marks)
- iv) The front boundary wall and part of the front elevation of the Insured's bungalow have been damaged following impact by a lorry. Enquiries show that the driver of the vehicle was forced to swerve to avoid a pedestrian who attempted to cross the road without checking that it was safe to do so. The pedestrian admits to being at fault but holds no insurance to cover any potential liability. The vehicle Insurers deny liability, but it was subsequently established that the driver was using a hand-held mobile phone at the time of the incident and was issued with a fixed penalty notice for this offence.
(8 marks)

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QUESTION 2

- A. You are instructed to deal with a claim under a domestic Policy for the theft of jewellery and personal effects following forced entry into the Insured's property. Cover had been arranged with your Principals in January 2015 and the theft occurred in June 2015. Continuous Cover had previously been arranged with other Insurers, the Policyholder explaining to you that he always "shopped around" at renewal to secure the best available premium.

Following investigation, you find that the claim is in order and that there is no evidence that the loss has been overstated or exaggerated. However, during your investigations, you find that the Insured was imprisoned for six months in 2012 for persistently flouting driving bans which had been imposed during the previous five years for various motoring offences, including dangerous driving and driving without insurance. This is not disputed by the Insured who explains that his behaviour at the time was due to "personal issues" and he has not reoffended in any way since his release from prison.

You include these details in your Report to your Principals who instruct that they wish to avoid the policy for what they term as "material non-disclosure" on the basis that the history of driving offences and, in particular, the prison sentence should have been declared on application for Cover. Before conveying this decision to the Insured, they ask for your views and further advice.

For this purpose, they supply you with a Statement of Fact compiled at the application stage which the Insured has agreed is accurate. On reviewing this documentation, you note that the only relevant question appears to be:

"Have you within the last five years been convicted of any criminal offences other than motoring?" The Insured has replied in the negative.

There is no question that seeks disclosure of any term of imprisonment.

The document also refers to any material facts that should be disclosed.

Report further to your Principals to advise them how they should proceed, including reference to any specific legislation and case law.

Would your advice be the same in dealing with a claim under a commercial policy where the Insured is a sole trader and has not disclosed the term of imprisonment?

(30 marks)



- B. You have been instructed by Insurers to deal with a claim for fire damage to household contents. The sum Insured against Contents is £25,000 but you calculate that this is not adequate and that the Value at Risk is £75,000. The claim is in order and is validated at £10,000. You report to Insurers to this effect and, at the same time, seek their instructions regarding the underinsurance. The Policy stipulates that Insurers may either refuse to pay the claim or pay a proportion of it.

In view of the degree of underinsurance, Insurers decide to take the former option and refuse to pay the claim. They request you to notify the Insured to this effect.

Having done so, the Insured challenge the position and maintain that they were not warned on applying for cover of such drastic consequences. They point out that, during the application process, they were asked “what is the total value of the contents to be insured” and they gave the figure of £25,000. In noting this information, Insurers’ representative commented that this figure should be accurate and, if it was low, “they would not get the full value back” in the event of a claim. This is confirmed in the recording of the conversation

During your further enquiries, the Insured explain that they had understood the question to mean “what is the total value of the contents you want to be insured?”, whereas Insurers tell you that they intended the question to mean “what is the total value of all of the contents of the home you want us to insure?” From their interpretation of the question, the Insured consider that this has been accurately answered and that the full validated claim should be paid without penalty.

What advice would you provide to your Principals?

(10 marks)

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QUESTION 3

- A. You are instructed to deal with a claim for malicious damage to a fast food take away outlet. This occurred late at night and was caused by a number of inebriated youths who were refused service for being offensive to the Insured’s staff and other customers. The Police were called to the scene, but by that time the individuals responsible had disappeared and have not been traced. Your Principals provide cover for Trade Contents, Stock, Tenant’s Improvements and Business Interruption. The Buildings are covered under a separate Policy arranged by the Landlords through different Insurers. The Policy is subject to various warranties and, following your initial enquiries, you are able to confirm compliance, but with one exception. This relates to the cleaning of ducts from the frying range to prevent accumulation of fat deposits etc. The warranty



requires cleaning at six monthly intervals and records maintained to this effect. However, you find that the last time they were cleaned was 12 months prior to the incident and the Insured attributes this to an administrative error on his part.

Significant damage has occurred to the frying range and other catering equipment. The Insured has been told by his suppliers that none of this equipment can be repaired and must be replaced. In the case of the frying range, a lead time of three months is specified.

The Insured is pressing for approval to replace the equipment and for an interim payment under the business interruption claim so that he can continue to pay his staff until the business reopens. This will be subject to satisfactory completion of the separate building repairs for which, at this stage, a three week period is estimated.

What initial advice would you give to both your Principals and the Insured?
(15 marks)

B. Explain the term “Stock Reconciliation Basis” and discuss the circumstances in which it might be appropriate to quantify the loss on this basis, outlining any specific issues and procedures that might be applicable.
(10 marks)

C. Vandals, hurling bricks, damage the shopfront window of a ladies clothing retailer specialising in high class fashion and designer labels. Some of the stock on display has clearly been damaged by impact by the bricks and glass fragments. Other stock on display, remote from the point of impact, appears to be unaffected. However, the Insured is emphatic that all the shopfront display stock should be dealt with as total losses since there is the risk that some glass fragments may be found in other items. This could have adverse consequences for the business if such stock was sold and then found to have been damaged in this way. How do you deal with this issue?
(10 marks)

D. Calculate the amount payable by Insurers in the following circumstances. All workings must be shown.

Agreed Loss of Gross Profit	£25,000
Loss Assessor’s Fee	£2,000
Accountant’s Fee for certifying turnover	£350
Sum Insured	£100,000 (Declaration Basis)
Insurable Amount	£125,000

(5 marks)

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PART 2
ANSWER TWO QUESTIONS ONLY

QUESTION BI 1

Insurers have appointed you to deal with the business interruption loss following a flood at a commercial vehicle distributor. The premises were flooded to a depth of 1 metre. The entire stock of commercial vehicles was saturated and therefore written off. The incident occurred on 1 December 2013.

Liability was accepted under the Material Damage cover.

The business sells commercial vehicles and also has a servicing and repair facility on site.

In order to mitigate the loss, temporary premises were obtained and some servicing equipment such as ramps and portable tools/diagnostic equipment etc were hired. The premises did not have the benefit of a large showroom area or space to display vehicles for sale, but a workshop could be set up temporarily on the premises.

Turnover for the financial year ending 31 December 2011 was £377,961.
Turnover for the financial year ending 31 December 2012 was £1,173,045.

The Business Interruption policy details are as follows:

Gross Profit Sum Insured:	£250,000
AICOW:	£5,000
Maximum Indemnity Period:	12 months

Uninsured Working Expenses are defined as Purchases (including stock movement) and Bad Debts.

Two members of staff left following the flood. There was a suspension in rent clause within the lease with the landlord.



Historic turnover is analysed thus:

Van sales				
	2011	2012	2013	2014
Jan	£ -	£ 69,276	£ 27,793	£ -
Feb	£ -	£ 87,358	£ 87,101	£ -
Mar	£ -	£ 196,360	£ 180,339	£ -
Apr	£ -	£ 99,372	£ 53,680	£ -
May	£ -	£ 87,120	£ 146,061	£ -
Jun	£ -	£ 31,463	£ 61,189	£ -
Jul	£ -	£ 67,383	£ 81,487	£ -
Aug	£ 54,561	£ 59,616	£ 46,633	£ -
Sep	£ 71,861	£ 65,307	£ 100,654	£ -
Oct	£ 84,849	£ 81,442	£ 99,419	£ 14,000
Nov	£ 73,441	£ 56,887	£ 66,120	£ 27,560
Dec	£ 93,249	£ 42,257	£ -	£ 33,030
Total	£ 377,961	£ 943,841	£ 950,476	£ 74,590

Service and repair				
	2011	2012	2013	2014
	£ -	£ 15,317	£ 16,759	£ -
	£ -	£ 11,980	£ 28,235	£ 2,501
	£ -	£ 31,336	£ 17,459	£ 2,640
	£ -	£ 18,748	£ 26,131	£ 10,120
	£ -	£ 19,222	£ 20,561	£ 1,950
	£ -	£ 23,916	£ 26,832	£ 850
	£ -	£ 18,394	£ 26,387	£ 160
	£ -	£ 17,442	£ 11,884	£ 900
	£ -	£ 16,664	£ 11,324	£ 2,540
	£ -	£ 21,630	£ 10,596	£ 2,200
	£ -	£ 18,000	£ 11,305	£ 666
	£ -	£ 16,555	£ -	£ 1,750
	£ -	£ 229,204	£ 207,473	£ 26,277

The Increased Cost of Working claim was presented thus:

Shop fitting works at temporary premises	£ 15,000
Dilapidations on temporary premises	£ 10,000
Rent for temporary premises	£ 15,000
Equipment hire - ramps, tools etc (12 months)	£ 25,000
Additional advertising	£ 5,000
Overtime setting up temporary premises	£ 5,000
Directors' time handling claim etc	£ 25,000
Wages whilst unable to trade	£230,530
Loss assessor fees	£ 12,000
Under-insurance on Contents claim	£ 5,000



The accounts for the financial year ending 31 December 2012 are as follows:

Turnover	£1,173,045
Cost of Sales:	
Opening stock	£ 180,000
Purchases	£ 616,506
Wages	£ 230,530
Agency labour	£ 13,000
Depreciation	£ 15,000
Closing stock	(£ 210,000)
Total Cost of Sales	<hr/> £845,036
Gross Profit	£328,009
Expenses:	
Staff salaries	£ 30,035
Directors' salaries	£ 100,016
Sales commissions	£ 47,192
Rent	£ 25,000
Rates	£ 10,000
IT costs	£ 10,000
Advertising	£ 15,290
Repairs and renewals	£ 6,225
Telephone costs	£ 2,900
Energy costs	£ 13,719
Stationery/postage	£ 745
Sundry	£ 1,500
Audit fees	£ 5,000
Legal fees	£ 5,000
Credit card charges	£ 15,469
Bad debts	£ 13,410
Bank charges	£ 9,090
	<hr/> £ 310,591
Net profit	£ 17,418



1. Based on the above information, calculate:
 - a) The Rate of Gross Profit. *(2 marks)*
 - b) A proposal for settlement of the Business Interruption loss to include the Gross Profit loss, the Increased Cost of Working and savings, with an explanation of the reasons for the inclusion or exclusion of the Increased Cost of Working and savings. Also include a discussion surrounding any trend that is incorporated in the settlement. *(25 marks)*
 - c) A proposal for settlement if the policy cover had been on a declaration-linked basis. *(5 marks)*
2. What is the Uninsured Standing Charges Clause? *(3 marks)*
3. What do you understand by the Alternate Trading Clause? Quote any relevant case law. *(5 marks)*

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QUESTION BI 2

You are requested by Insurers to handle the business interruption claim for a dental practice serving private patients. The practice was subject to impact damage from a vehicle on 1 April 2013. This caused damage to the front and side of the building owned and occupied by the practice.

Following the damage, the Insured was able to arrange some temporary structural works to enable the premises to be accessed and used. However, pending permanent repair work, only one surgery out of the usual four could be used.

In addition to the Building and Contents claims presented by the Insured, additional amounts were claimed under the Business Interruption policy for promotional activity to advise patients that the surgery was still open for business in the sum of £10,000 and for the costs of the temporary structural works in the sum of £25,000.

The historic turnover of the business is as follows:

	2012		
	Private fees	Plan fees	Total
Jan	£ 27,190	£ 2,608	£ 29,798
Feb	£ 24,775	£ 863	£ 25,638
Mar	£ 26,286	£ 865	£ 27,151
Apr	£ 27,987	£ 854	£ 28,841
May	£ 28,987	£ 865	£ 29,852
Jun	£ 30,146	£ 864	£ 31,010
Jul	£ 24,834	£ 865	£ 25,699
Aug	£ 28,185	£ 880	£ 29,065
Sep	£ 25,332	£ 900	£ 26,232
Oct	£ 19,182	£ 1,058	£ 20,240
Nov	£ 27,406	£ 749	£ 28,155
Dec	£ 30,233	£ 1,030	£ 31,263
Total	£ 320,543	£ 12,401	£ 332,944



	2013		
	Private fees	Plan fees	Total
Jan	£ 34,578	£ 1,050	£ 35,628
Feb	£ 76,841	£ 1,030	£ 77,871
Mar	£ 46,104	£ 1,019	£ 47,123
Apr	£ -	£ 1,091	£ 1,091
May	£ 2,590	£ 1,065	£ 3,655
Jun	£ 1,631	£ 1,099	£ 2,730
Jul	£ 10,725	£ 1,078	£ 11,803
Aug	£ 14,579	£ 1,089	£ 15,668
Sep	£ 15,001	£ 1,094	£ 16,095
Oct	£ 11,505	£ 1,030	£ 12,535
Nov	£ 16,499	£ 1,070	£ 17,569
Dec	£ 11,889	£ 1,070	£ 12,959
Total	£ 241,942	£ 12,785	£ 254,727

	2014		
	Private fees	Plan fees	Total
Jan	£ 12,818	£ 1,119	£ 13,937
Feb	£ 14,111	£ 1,142	£ 15,253
Mar	£ 19,952	£ 1,082	£ 21,034
Apr	£ 17,971	£ 1,115	£ 19,086
May	£ 17,901	£ 261	£ 18,162
Jun	£ 19,034	£ 1,175	£ 20,209
Jul	£ 15,684	£ 1,175	£ 16,859
Aug	£ 15,020	£ 1,196	£ 16,216
Sep	£ 13,945	£ 1,468	£ 15,413
Oct	£ 16,224	£ 1,488	£ 17,712
Nov	£ 13,945	£ 1,732	£ 15,677
Dec	£ 12,641	£ 1,708	£ 14,349
	£ 189,246	£ 14,661	£ 203,907

Business Interruption policy cover is as follows:

Gross Profit Sum Insured: £200,000
 Maximum Indemnity Period: 12 months

Uninsured Working Expenses are Purchases, net of stock movements.



The accounts for the business for the year ending 31 December 2012 are as follows:

Turnover	£332,944
Cost of Sales:	
Opening stock	£ 1,000
Dental purchases	£ 61,000
Locums (temporary staff)	£ 40,330
Closing stock	(£ 2,000)
Total Cost of Sales	<hr/> £100,330
Gross Profit	£232,614
Expenses:	
Staff salaries	£ 20,000
Partner's salary	£ 120,016
Rates	£ 15,000
Subscriptions	£ 1,000
Advertising	£ 5,210
Repairs and renewals	£ 6,000
Telephone costs	£ 5,900
Energy costs	£ 10,729
Stationery/postage	£ 1,745
Sundry	£ 2,500
Audit fees	£ 10,000
Legal fees	£ 500
Credit card charges	£ 6,409
Bank charges	£ 1,090
	<hr/> £ 206,099
Net profit	£ 26,515



1. Based on this information, you are requested by Insurers to calculate a settlement figure, detailing your assumptions as appropriate.
(25 marks)
 2. Assessor's fees and accountant's fees were presented in the sum of £20,000 and £4,500 respectively. Explain how the Business Interruption policy responds to these costs.
(5 marks)
 3. Explain the difference between a Gross Profit Sum Insured Basis and a Declaration Linked Basis policy.
(5 marks)
 4. How should the economic test for Increased Costs of Working be calculated?
(5 marks)
- 40 MARKS**

QUESTION BI 3

Insurers have appointed you to deal with the business interruption aspect of a loss following a fire at a cinema. The cinema is a multiplex facility with a total of 12 screens. The incident occurred on 1 August 2014.

As a result of the fire, a total of 4 screens were unable to be used. Following deodorising and some temporary repairs, the remaining 8 screens were capable of showing films.

The business is relatively new and had only been trading for a few months prior to the incident.

Policy cover for Business Interruption is provided as follows:

Estimated Gross Profit: £1,000,000
Maximum Indemnity Period: 12 months

Uninsured Working Expenses are Purchases, including film hire, and seasonal labour.

The lease with the landlord includes a cessor of rent clause.



Turnover information is provided as follows:

Budget	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Box Office	£ 179,000	£ 150,000	£ 145,000	£ 160,000	£ 192,000	£ 140,000
Retail	£ 59,000	£ 50,000	£ 48,000	£ 53,000	£ 63,000	£ 46,000
Advertising	£ 7,000	£ 4,000	£ 6,000	£ 6,000	£ 7,000	£ 6,000
Other	£ 4,000	£ 2,000	£ 4,000	£ 3,000	£ 5,000	£ 3,000
Total	£ 249,000	£ 206,000	£ 203,000	£ 222,000	£ 267,000	£ 195,000

Actual	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Box Office	£ 140,000	£ 135,656	£ 130,303	£ 117,652	£ 163,388	£ 161,449
Retail	£ 46,200	£ 40,560	£ 46,100	£ 32,710	£ 44,963	£ 31,860
Advertising	£ 5,600	£ 5,600	£ 6,800	£ 4,766	£ 6,256	£ 6,220
Other	£ 3,360	£ 1,600	£ 3,080	£ 3,598	£ 11,767	£ 31,861
Total	£ 195,160	£ 183,416	£ 186,283	£ 158,726	£ 226,374	£ 231,390

Budget	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Box Office	£ 155,000	£ 155,000	£ 175,000	£ 175,000	£ 195,000	£ 185,000
Retail	£ 59,000	£ 50,000	£ 48,000	£ 53,000	£ 63,000	£ 46,000
Advertising	£ 6,000	£ 6,000	£ 7,000	£ 7,000	£ 8,000	£ 7,000
Other	£ 3,000	£ 4,000	£ 4,000	£ 4,000	£ 5,000	£ 5,000
Total	£ 223,000	£ 215,000	£ 234,000	£ 239,000	£ 271,000	£ 243,000

Turnover achieved (in total) after the damage is as follows:

Actual	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Total	£ -	£ 191,002	£ 175,630	£ 166,060	£ 242,000	£ 159,560

The Insured also obtain industry data on a routine basis and their performance against the region as a whole is tabulated thus:

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Region	£ 7,806,400	£2,227,733	£ 9,314,150	£ 6,349,034	£15,091,612	£11,569,486
Insured	£ 195,160	£ 183,416	£ 186,283	£ 158,726	£ 226,374	£ 231,390

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Region	£10,255,060	£10,053,265	£11,555,630	£ 9,006,532	£13,562,130	£ 8,650,304



Management accounts were presented as follows:

Revenue	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Total
Box Office	£ 140,000	£ 135,656	£ 130,303	£ 117,652	£ 163,388	£ 161,449	£ 848,448
Retail	£ 46,200	£ 40,560	£ 46,100	£ 32,710	£ 44,963	£ 31,860	£ 242,393
Advertising	£ 5,600	£ 5,600	£ 6,800	£ 4,766	£ 6,256	£ 6,220	£ 35,242
Other	£ 3,360	£ 1,600	£ 3,080	£ 3,598	£ 11,767	£ 31,861	£ 55,266
Total	£ 195,160	£ 183,416	£ 186,283	£ 158,726	£ 226,374	£ 231,390	£1,181,349
Cost of Sales							
Film Hire	£ 65,800	£ 63,758	£ 61,242	£ 55,297	£ 76,793	£ 75,881	£ 398,771
Retail Purchases	£ 13,398	£ 11,763	£ 13,369	£ 9,486	£ 13,039	£ 9,240	£ 70,295
Other	£ 2,520	£ 1,200	£ 2,310	£ 2,698	£ 8,825	£ 23,895	£ 41,448
Total	£ 81,718	£ 76,721	£ 76,921	£ 67,481	£ 98,657	£ 109,016	£ 510,514
Gross Profit	£ 113,442	£ 106,695	£ 109,362	£ 91,245	£ 127,717	£ 122,374	£ 670,835
Overheads							
Staff salaries	£ 20,000	£ 20,000	£ 20,000	£ 20,000	£ 20,000	£ 20,000	£ 120,000
Seasonal wages	£ -	£ 5,000	£ 5,000	£ 10,000	£ -	£ 10,000	£ 30,000
Rent	£ 15,000	£ 15,000	£ 15,000	£ 15,000	£ 15,000	£ 15,000	£ 90,000
Rates	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 30,000
Electricity	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 30,000
Head office costs	£ 6,000	£ 6,000	£ 6,000	£ 6,000	£ 6,000	£ 6,000	£ 36,000
Insurance	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 12,000
Repairs	£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 6,000
Credit card charges	£ 4,000	£ 4,000	£ 4,000	£ 3,000	£ 5,000	£ 5,000	£ 25,000
Advertising	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 60,000
Promotional costs	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 30,000
Bank charges	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 12,000
Depreciation	£ 3,000	£ 3,000	£ 3,000	£ 3,000	£ 3,000	£ 3,000	£ 18,000
Total	£ 78,000	£ 83,000	£ 83,000	£ 87,000	£ 79,000	£ 89,000	£ 499,000
Net Profit	£ 35,442	£ 23,695	£ 26,362	£ 4,245	£ 48,717	£ 33,374	£ 171,835

The Insured appointed their own Chartered Loss Adjusters to present their claim, with the Business Interruption aspect as follows:

Policyholder's loss adjuster's fees	£20,000
Temporary repairs	£15,000
Accountant's charges	£5,000
Director's costs re claim	£12,000

No formal claim was presented for loss of Gross Profit.



1. Calculate settlement of the loss to include loss of Gross Profit, Increased Cost of Working and savings, advising any assumptions you have made.
(20 marks)
2. Calculate the settlement if cover had been on a sum insured basis instead.
(10 marks)
3. What is the relevance of liability being accepted under the Material Damage cover?
(2 marks)
4. What section of the BI policy allows us to consider trends in a business?
(3 marks)
5. How should depreciation savings be dealt with in adjusting a claim under a Business Interruption policy? Is there any relevant case law to assist in this regard?
(3 marks)
6. What is the difference between a Gross Profit cover and a Gross Revenue cover?
(2 marks)

40 MARKS