



Examiner's comments
CIL A C4 Property Commercial ACS - April 2015

Overview

The exam comprises 4 out of 4 questions of equal marks.

From a review of the examination scripts the examiner recommends that candidates:

- Take account of the allocated marks and provide an appropriate level of detail and information in their answer.
- Clearly identify the requirements of the question and ensure that the answer meets all of the requirements.
- As all of the questions refer to a scenario it is important that candidates note the detail of the scenario, read through all the questions and plan their answers.
- In general the examination paper was well answered allowing candidates to evidence both their technical knowledge and experience.
- Whilst the key information was contained in the scenario candidates are also required to place their own interpretation on the circumstances of the claim and the potential outcome of their enquiries.
- The ACS examination requires candidates to demonstrate the rationale and thought processes behind the decisions they make in the management of a particular claim.

Comments on specific questions.

The comments below give an indication of the approach and topics that should be included in an answer. They are not however presented as either complete or model answers.

The examination questions were based upon a scenario of a commercial claim for a fire in a carpet warehouse.

The context of the question referred to the appointment to deal with a Commercial Property Claim. Within the scenario reference is made to a separate business interruption claim, candidates were required to provide answers in relation to the management of the material damage claim.

This question required candidates to detail the enquiries they would make to establish two aspects of the claim; extent of policy liability and reserve.

The examiner is looking for candidates to include all the information and detail the sources of the information.

Whilst the question stated they were not required some candidates did provide details of the policy liability and/or the reserve.

As an example for Q 1a) on policy liability the enquires could include:

- Collate information, ideally pre meeting, such as; proposal form/statement of facts, the statement of claim, FNOL report and policy schedule.
- Policy exclusions, warranties, conditions etc. Policy wording.
- Policy limitations; limits, excess etc. Policy wording.
- Identify insurers concerns. Refer to instructions/speak with insurers.

Q1



- Validate insurable interest of damaged items.
- Ensure all papers available for meeting.

This question is an example of where candidates benefit from reviewing all aspects of the question and planning their answer.

Q2a) Candidates were required to demonstrate their knowledge and understanding of a “Day One Basis” cover and the Value at Risk Calculation of Stock and Buildings on a reinstatement basis.

Most candidates provide a comprehensive answer.

Q2b) The question referred to the validation of the business description.

Some candidates however provided an explanation of the consequences of non disclosure and misrepresentation of the business description. This was not the focus of the question.

Some examples of relevant enquiries and information are: company web site, social media (Directors), publicity, audited accounts, sales ledger, local enquiries, observation during site visit, Companies House registration etc

Q2c) The question asked candidates to draft a letter to the appointed loss assessor detailing actions being taken and further information required from the policyholder.

The question required candidates to demonstrate their ability to project manage a claim and communicate in a professional style.

The content of letter should therefore confirm the present position and detail the actions to be completed by all parties with agreed timescales.

Marks are awarded for:

- The lay out of the letter including address, reference contact details etc
- The style e.g. logical flow, short paragraphs etc
- The language e.g. professional
- Technical content e.g. retention of items, recovery, salvage, reservation of rights etc.

Q2

The question required candidates to demonstrate their report writing skills by drafting two sections of a commercial property preliminary report.

The purpose of the report is to provide insurers with sufficient information to enable to reach a decision about the claim without further referral.

It is important therefore that the report includes all relevant points and is written in a professional and logical style which leads towards recommendations that will be provide later the report.

A number of candidates included a detailed narrative regarding the Business Interruption aspect of the clam which was outside the scope of the scenario.

Q3

Candidates were required to explain the merits of their response to Q2c.

Q4



The examiner was asking candidates to explain the advantages and disadvantage of their approach and the consequences of failing to project manage the claim correctly.

Some candidates repeated the answer to question 2c) rather than detailed their thought process and rationale.

This highlights the importance of candidates reading the entire question and planning before answering the questions.