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The Chartered Institute of Loss Adjusters

Accreditation for Chartered Status

Paper C4

April 2015 - Liability

3½ Hours

Maximum Marks 200

Answer ALL questions

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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ANSWER ALL QUESTIONS

You have received instructions to handle liability claims involving public liability and employers' liability for both property damage and personal injury.

The instructions relate to a community radio station. There are three employees: an administrator, an accounts clerk and a part-time radio engineer. The radio station operates from a community building on the outskirts of a small town. The station is a limited company and has a licence to broadcast from Ofcom. All of the presenters are volunteers and the directors too are unpaid.

On Saturday 14 February, a volunteer, Sarah, was the first to arrive at the radio station's section of the premises, doing so at 7.30 am in order to prepare for her show which started at 8.00 am.

Whilst preparing for her show, Sarah had a problem with the main computer system that hosts the music. Sarah was familiar with the system but had never had training on the workings of the system.

Sarah had arranged for a guest speaker from the local Scout group (Geoff) to join her for part of her show. The guest speaker arrived and disturbed her progress on rectifying the computer system.

Sarah explained the process of the interview to Geoff, who was very nervous about going on air. An important point Sarah had been told was that drinks should never be left on the presenters' desk due to the risk of spillage and subsequent damage to the broadcasting equipment. Sarah informed the guest of this and, in preparing for the live interview, Geoff placed a drink made by Sarah on the floor.

All was going well with the show until Sarah had further difficulty with the main computer and she decided that this was probably due to a loose connection. Sarah decided to go under the presenters' desk to address the situation. In doing so, she knocked over the drink, which saturated the carpet and leaked into a transformer, which Sarah thought was not in use. Sarah could not find a loose connection and carried on with her show. After about three minutes, there was a loud hiss and then a small explosion with a large flash of bright light. Sarah and Geoff were suddenly covered in soot and both suffered burns across their feet.

In addition to presenting on the show, Sarah is a fitness instructor and the burns to her feet were so severe that the initial prognosis was that she would not be able to continue with her work.

Claims were made against the radio station as follows:

Geoff	Shock, injury and damage to clothing and a mobile Smart Phone
Sarah	Shock, injury and damage to clothing and an iPad.

- 1) Outline all the enquiries with rationale you should undertake to establish, as far as reasonably possible at your first visit:



- a) Whether the Public Liability Policy, Employers' Liability Policy provides cover for the business concerned
- b) Whether there was a legal liability to the two persons concerned
- c) Quantum.

You should include all the information that you would require to establish the above, together with the sources of the information. You are **NOT** required to either comment on the Policy liability or to set a reserve.

(50 MARKS)

2)

- a) You are asked to take a statement from the presenter. Provide the detailed information you would include in the statement explaining why the information will be beneficial.
- b) The business is defined as a Community Radio Station and you are required to provide a description of the business. Detail the information that you should request, the nature of any documentation you should obtain and how you should set about ensuring the information is accurate to demonstrate that the business is correctly described.
- c) Solicitors have been appointed by the radio station to support them in the claim. Write a letter to the solicitors to explain the procedure you are adopting, the process that you will follow and whether it is in order for the radio station to admit liability on air.

(50 MARKS)

3) Provide the following two sections of your Preliminary Report to Insurers:

- a) "Policy Liability"
- b) "Investigations required", covering the information required to consider Policy liability and any recommendations concerning additional inquiries that should be made.

(50 MARKS)

4) The third party claimant has emailed you asking you to write to him advising what evidence you will require. Prepare an email response.

(50 MARKS)