



STRICTLY PRIVATE & CONFIDENTIAL
for internal use only

The Chartered Institute of Loss Adjusters

Accreditation for Chartered Status

Paper C4

April 2015 - Property Commercial

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.

Notice of Copyright

This document and any information contained therein remains the confidential and copyright property of the CIL A. Without infringement neither the whole, nor any extract, may be disclosed, loaned, copied or used for manufacturing, the provision of services or any other purpose whatsoever without the express permission and written consent of the CIL A. No liability is accepted for any loss or damages from any cause whatsoever arising out of the use of this document or its contents.

COPYRIGHT © CIL A 2015



ANSWER ALL QUESTIONS

You have been appointed to deal with a Commercial Property claim, following a fire in a carpet warehouse in an industrial estate of a major city. The risk property is a purpose-built steel-framed warehouse with access for fork lift trucks. Carpeting is stored on racks from 20 cm above the floor level to 1 m below the ceiling.

The industrial estate is modern, built around 2012, and businesses in the immediate locality appear to be prospering. The warehouse stocks a high volume of low cost floor coverings.

The claim you are handling is for the carpet warehouse business which relates to the sale of carpets to small retail companies.

The cover provided by the Policy is as follows:

Buildings	£1,600,000
Stock	£150,000
Fixtures and Fittings	£25,000
Plant and Machinery	£100,000 including a fork lift truck

You are advised that there is a Business Interruption Policy. The Policyholders have appointed a firm of Chartered Loss Adjusters to handle the claim on their behalf and you are to deal with the Chartered Loss Adjuster, Sally Atlas, who will visit the site tomorrow.

- 1) Outline all the enquiries you should undertake to establish:
 - a) Extent of Policy liability, if any
 - b) Reserve.

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) The Buildings section is on a reinstatement basis and the Policyholders intend to reinstate as far as you are aware. The Policy is on a Day One Basis. Detail the information required and the steps you should take to establish the adequacy or otherwise of the sum insured for Buildings and Stock.
 - b) The business is defined as a wholesale carpet store 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) The Policyholders' Chartered Loss Adjuster requests that you put your explanation and plan to resolve the claim in writing. Prepare a suitable letter to the Chartered Loss Adjuster explaining the claim procedure and what actions you will be taking to assist the Policyholders. The letter should also include what action will be required of the Policyholders.
- (50 MARKS)**
- 3) Provide the following two sections of your Preliminary Report to Insurers:
- a) "Policy Liability"
 - b) "Action Taken to Mitigate Loss", covering the information required to consider Policy liability and any recommendations concerning additional inquiries that should be made.
- (50 MARKS)**
- 4) The Loss Adjuster, Sally Atlas, met you on site. She has proposed alternative methods of approach to that stated in your letter (question 2 C above). Provide a critical assessment justifying the reasons why the methods you have proposed are fit for purpose.
- (50 MARKS)**