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The Chartered Institute of Loss Adjusters

Accreditation for Chartered Status

Paper C4

April 2015 - Property Domestic

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 been appointed to deal with a Domestic Property claim following accidental damage to furniture, a television and a laptop computer at the Policyholders' home.

The circumstances are that the Policyholders' 16 year old son tripped and fell whilst carrying the laptop, landing heavily on an antique table and a large television.

The Policy is written on a new for old basis and has an unlimited Contents sum insured. The Policyholders are Mr and Mrs Lee (a teacher and a shop assistant). They rent a two storey house in a quiet residential road. They have two sons living at home aged 16 years and 14 years.

When the claim was sent to you, the Insurers highlighted that the Policyholders had submitted four previous claims in the last two years and you notice that the amounts involved increased each time from £500 to this claim of £10,500.

The cover provided by the Policy is as follows:

Buildings	Nil
Contents	£65,000
Jewellery	£25,000

The damaged antique table was a small and well-proportioned mahogany sofa/side table, with a single drawer and a dummy drawer to the opposite side. The drawers had a brass swing handle to each side. The table had a fold-down leaf either side of the main central section and was raised on a beautifully carved central pedestal which in turn had four shaped legs terminating in brass lions feet with brass castors. The claim is as follows:

Antique Table	£8,000
Laptop	£500
Television	£1,500

- 1) Outline all the enquiries you should undertake to establish:
 - a) The value of the antique table
 - b) Policy liability
 - c) Adequacy of the Jewellery sum insured.

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 Insurers have indicated that they view the previous claims as a possible fraud indicator. Explain what measures you would take during the meeting with the Policyholders to rule out fraud, if possible to do so.
 - b) You are asked to take a statement from the Policyholders. Explain what steps you would take to secure the statement and LIST what facts you should include within the statement.
 - c) Immediately after the visit, you receive an e-mail from the Policyholders asking you to advise whether you would be pursuing their son for the damages. Draft an e-mail response.
 - d) Explain the merits of the procedures you have set out in response to the questions 2 a) to 2 c)

(50 MARKS)

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

- a) "Policy Liability"
- b) "Circumstances", covering the cause and extent of loss. You may make up additional information to complete this.

(50 MARKS)

- 4) The Policyholders, subsequent to the meeting, appoint a Chartered Loss Adjuster to assist them with their claim. The 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)