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The Chartered Institute of Loss Adjusters

Accreditation for Chartered Status 2016 (April)

Paper C4 - 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 an urgent claim relating to the collapse of a 30 metre tall mature oak tree onto a private dwelling.

The risk property is a two storey, three bedroomed detached house of brick cavity walls under a pitched tiled roof. The main part of the house was built in 1982 and an extension sun room/conservatory was added to the rear elevation in 2002.

The property was constructed by a private construction company, Smart Homes Ltd, and forms part of a small estate of detached houses in a semi-rural location. Initial enquiries identify that Smart Homes Ltd ceased trading in 2005.

The Policyholders are Mr and Mrs Ferris. Mr Ferris is a retired IT Manager and Mrs Ferris is a retired school teacher. They are the sole occupants of the property.

Mr and Mrs Ferris were in the house at the time of the collapse.

The collapsed tree is resting on the rear elevation of the main roof. Part of the tree has fallen through the glazed roof and walls of the sun room/conservatory.

You confirm that, when the tree collapsed, the weather conditions were calm, with no wind and only light rain. You identify that, three days before the collapse, there had been a protracted period of strong winds and exceptionally heavy rainfall.

The tree, which was overhanging the garden of the risk property, is sited on an adjoining area of open land, which is believed to be the responsibility of the local council.

A tree surgeon who has inspected the tree is concerned that the weight, some 2 tons, and the instability of the tree could result in further movement of the tree and additional damage to the structure of the building. Mr and Mrs Ferris however are adamant that they are not prepared to vacate the property.

Your principals provide a typical household policy as follows:

Buildings £525,000

Contents £75,000

Alternative Accommodation £50,000



QUESTION 1

Explain all the enquiries you should undertake to establish:

- i) Extent of Policy liability, if any
- ii) 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 set a reserve.

50 MARKS

QUESTION 2

Set out the following two sections of your Preliminary Report to Insurers:

- i) “Initial Measures”, to include your rationale
- ii) “Cause”, covering the information required to validate the cause.

50 MARKS

QUESTION 3

- i) Explain the enquiries you would make and the evidence you would collect to enable the insurance company to consider their prospects of a recovery against the owner of the fallen tree.
- ii) Your enquiries identify that the fallen tree was on land owned and formerly maintained by Smart Homes Ltd. Detail the enquiries you would make to identify who was responsible for the fallen tree at the time of the incident.
- iii) The insurance company have expressed concern that Mr and Mrs Ferris are continuing to reside at the property and the possible implications that could arise from injuries sustained as the result of further damage. Draft a letter to the Policyholders setting out these concerns and detailing alternative options available to them under the terms of the policy.

50 MARKS



QUESTION 4

The Policyholders 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. The Chartered Loss Adjuster advises that their clients, who are loyal customers, expect the insurance company to take full responsibility for all aspects of the repair and/or replacement of the damaged building and contents.

Prepare a suitable letter in reply to the Chartered Loss Adjuster.

50 MARKS