



STRICTLY PRIVATE & CONFIDENTIAL
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The Chartered Institute of Loss Adjusters
Accreditation for Chartered Status 2016
(October)

Paper C4 - 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 are instructed to deal with a liability claim for personal injury and property damage.

You have been instructed by Insurers to attend site and investigate on their behalf. You are to carry out enquiries into Policy Liability, Legal Liability and Quantum.

The Insured are The East Line Railway Company, who have a franchise to operate passenger services by rail from London to the east coast of England.

On 5th January, a severe weather warning anticipating sub-zero weather conditions is issued for the entire area in which The East Railway Company operates.

You are advised that your Principal's policy provides cover for:

Public Liability
Employers' Liability.

On 6th January, the cold weather has materialised and a passenger, Sarah Jones, a self-employed business consultant arrives at a railway station on the Insured's network to catch a train to London.

Sarah is on time for the train and walks along the platform, which has had grit spread along it. Sarah wishes to get to the front of the train and, as she approaches the far end of the platform, she notices that the platform is still icy in this area.

Sarah continues to make her way and, in the course of doing so, she slips and falls, sustaining a fracture to her left wrist and soft tissue injuries. Sarah falls onto her business case containing a laptop and mobile phone as well as assorted personal and business items. She also drops her handbag, which contains her house keys and personal effects, onto the railway track.

Niall Smith, an employee, sees the incident but is taking a break and is in an area reserved for staff smoking. He decides to finish his cigarette before going to assist Sarah. Alice May, the station supervisor, realises Sarah is in difficulty and shouts at Niall demanding that he goes immediately to Sarah's aid. Niall runs along the platform over the icy stretch, slips and falls and also sustains a minor injury.



QUESTION 1

Outline all the enquiries you should undertake to establish:

- I. Whether the policy should operate to indemnify the policyholder
- 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 detail your conclusions on Policy liability or to set a reserve.

50 MARKS

QUESTION 2

a) You are asked to take a statement from Sarah Jones. Provide the detailed information you would include in the statement, explaining why the information will be beneficial.

b) Sarah Jones has written to you to confirm that she wishes to deal directly with you in regard to her claim. She is reluctant to appoint a solicitor and seeks your guidance regarding the actions she should take. She also requests an explanation of the procedure you are adopting to resolve her claim, confirmation of the timescale involved, together with a written admission of liability. Provide this guidance.

50 MARKS

QUESTION 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

QUESTION 4

The Insured's broker, Andrew Payne, emails you to express concern that their client, The East Line Railway Company, is suffering adverse publicity as a result of the incident which has attracted considerable public interest.

The broker requests that you arrange an interim payment to Sarah Jones to counter the adverse publicity.

Prepare an email to the broker detailing your initial response to this request. Include any advice you may need to provide with regard to the Insured's responsibilities under the policy.

50 MARKS