



STRICTLY PRIVATE & CONFIDENTIAL
for internal use only

The Chartered Institute of Loss Adjusters
Accreditation for Chartered Status 2017 (April)

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.

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 2017



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 is Alan Jones trading as ASJ Farms Ltd. Alan Jones is the tenant of a small farm on which he rears sheep and grows fruit and vegetables which are sold from a shop on the farm and via local retail shops.

On 5th September 2016, a substantial tree within the boundary of the Insured's farm fell onto an adjacent public road causing damage to two parked vehicles. Subsequently, a vehicle travelling at speed along the public road collided with the fallen tree.

You are advised that your Principal's policy provides cover for Public Liability, Products Liability and Employers' Liability.

Your principal has received claims from the owners of the two parked vehicles for the replacement of their vehicles and out of pocket expenses. Property damage, personal injury and out of pocket expenses claims have also been received from the driver/owner and the passenger of the vehicle that collided with the tree.

QUESTION 1

Outline all the enquiries, detailing your rationale, you should undertake to establish:

- i) Whether there is a legal liability on the part of the Insured for the damage and/or injury sustained by the third parties. *(30 Marks)*

- ii) Potential quantum. *(20 Marks)*

You should include all the information that you would require to establish the above, together with the sources of the information.

50 Marks

QUESTION 2

- i) You are asked to take a statement from Paul Thomas, the passenger of the vehicle that collided with the fallen tree. Explaining your rationale, detail the information you would include in the statement. *(25 Marks)*

- ii) Sandra Webb, the driver of the vehicle, has written to you to confirm that she wishes to deal directly with you regarding her claim. She is reluctant to appoint a solicitor and seeks your guidance regarding the actions she should take. Provide this guidance. *(25 Marks)*

50 Marks



QUESTION 3

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

- i) Policy Liability *(25 Marks)*

 - ii) Investigations required, covering the information required to consider Policy Liability and any recommendations concerning additional inquiries that should be made. *(25 Marks)*
- 50 Marks**

QUESTION 4

- i) The Insured's insurance broker requests that you write to him with an explanation of how the claim might be handled. Prepare a suitable letter to the broker explaining the claim procedure (including any steps that are required to comply with the Civil Procedure Rules), what actions you will be taking to establish whether a legal liability exists and how your decision will be communicated to the claimants. The letter should also include what action will be required of the Policyholder. *(30 Marks)*

 - ii) Alan Jones, the Insured, is concerned that the incident has caused local adverse publicity that will affect his business. To address this issue, Alan Jones has requested that you make an immediate goodwill payment to the third parties. Draft an email in response to Alan Jones's request and detailing the Insured's responsibilities under the terms of the policy. *(20 Marks)*
- 50 Marks**