



# Chartered Institute of Loss Adjusters

## Advanced Diploma Handbook

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## Overview

The CILA Advanced Diploma requires you to have a thorough understanding of the principles of insurance and how these may be applied in the handling of claims. This qualification provides you with the opportunity to specialise in the adjustment of a specific type of claim, from a choice of: *Property (Domestic), Property (Commercial), Liability, Business Interruption or Subsidence*. The Advanced Diploma is perfect for those who wish to handle more complex claims as part of their career progression.

Candidates are expected to have the knowledge required for the CILA Certificate and CILA Diploma qualifications.

## How will I be assessed?

To obtain the CILA Advanced Diploma qualification you must pass the following computer based examinations:

1. AD1 – Application of the Principles of Insurance  
3½ hour examination comprising 5 questions from a choice of 6
2. AD2 - Advanced Claims Handling (Handling Claims for Specific Losses)  
3½ hour examination comprising 5 questions from a choice of 6. The AD2 examination includes questions which are relevant to particular types of insurance. In advance of the exam sitting, candidates are therefore asked to select an AD2 exam paper from a choice of: *Property (Domestic), Property (Commercial), Liability, Business Interruption or Subsidence*.

Candidates are required to pass both AD1 and AD2 within a period not exceeding six years.

## Entry requirements

Entry to the Advanced Diploma examinations is open to CILA members who hold the CILA Diploma, or to any member who has passed one of the former Advanced Diploma examinations (C1, C2 and C3) in the previous 6 years.

## Exemptions

There are no exemptions available for either of the Advanced Diploma examinations (AD1 and AD2).

## How will I study and how long will it take?

The CILA Advanced Diploma qualification requires you to undertake your own reading and research in preparation for the examinations. There is a syllabus for each paper and we recommend that you use this as the framework for your study. To help get you started the Institute provides a recommended reading list. We would also encourage you to review the sample exam questions which are published on the CILA website.

We recommend that you allow between 100 to 120 hours of study for each paper.



## How much will it cost?

The entry fee for each Advanced Diploma exam is £200:

AD1 = £200  
AD2 = £200  
Total = £400

We recommend that you purchase your Advanced Diploma exam entries one at a time. This is because each exam entry comes in the form of a voucher which has an expiry date.

Please note that payment is made to the exam facilitator, Pearson VUE, and not the Institute.

## How do I apply?

### 1. CIL A membership

Please note that you can only attain a CIL A qualification if you are a member of the CIL A. If you are not already a member, please apply for CIL A membership via the CIL A website.

### 2. Create a Pearson VUE account

The next step is to create your own online account with the exam facilitator Pearson VUE: <http://www.pearsonvue.com/cila/> Please note that you will need your CIL A membership number in order to create your Pearson VUE account.

### 3. Purchase exam voucher/s

You can then purchase the exam voucher/s for the examination/s you wish to sit. You do this through the Pearson Vue online shop which is called Mindhub: <http://www.mindhub.co.uk/>

**Warning:** you are able to purchase exam voucher/s from the Mindhub website without being a member of the CIL A. However you **cannot** register to sit the examination/s if you are a non-member. Please ensure that you become a member first.

## Where will I sit the examinations?

The CIL A Advanced Diploma examinations are computer based and can be sat at one of the following locations:

### At a Pearson Vue test centre

Pearson Vue test centres are located throughout the world and you can find your nearest test centre by visiting the Pearson Vue website at: <http://www.pearsonvue.com/cila/>  
If a test centre is not available in your country, please contact the Institute at [info@cila.co.uk](mailto:info@cila.co.uk) for further assistance.



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### At home or in your office

Pearson Vue also offer the option to sit a CILA examination at home or in your office using an online invigilation service called OnVUE. An online invigilator will observe and monitor your exam through specialist software and the webcam and microphone on your computer.

### When can I sit the examinations?

When you feel ready to take your examination, you can schedule the date, time and location via the Pearson Vue website at <http://www.pearsonvue.com/cila/>.

We recommend that you set yourself a target date for completion of each examination when you purchase the learning material and exam voucher. This will help you to plan your study time and maintain momentum.

**Each exam voucher has an expiry date and you must sit the examination within this date.** The expiry date is in the United States format i.e. MM/DD/YYYY. The Institute will not provide refunds for expired vouchers and if you still wish to proceed with the examination you will be required to purchase a new exam voucher at the full price.

### Postponement or cancellation of a scheduled examination

You may postpone or cancel a scheduled examination by following the procedures on the Pearson Vue website <http://www.pearsonvue.com/cila/> however this must be done at least **24** hours prior to the examination. Failure to do so or non-attendance will result in the loss of the entire fee. You will be required to purchase a new exam voucher and re-enter the examination. The Institute is unable to make any refunds in this respect, irrespective of the reason for non-attendance.

### Pearson Vue Test Centres

You may find it useful to watch a short video by Pearson Vue on “*What to expect in a Pearson Vue test centre*” before sitting an examination in a Pearson Vue test centre:

<http://home.pearsonvue.com/test-taker/security.aspx>

You may also wish to familiarise yourself with the format of a computer based examination and this can be experienced via the Pearson Vue website at <http://www.pearsonvue.com/athena>.

Please note you are required to bring photographic identification to the test centre, for example, your passport or driving licence. **It is essential that the name on this identification matches the name your CILA membership record.** If you have any concerns about this please contact the Institute as soon as possible and no later than five days prior to your exam sitting.

### OnVUE Online Proctoring

We recommend that you familiarise yourself with the OnVUE system requirements, policies and procedures before selecting this method of examination. Detailed information can be found on the Pearson Vue website at: <http://www.pearsonvue.com/cila/>



You may also wish to familiarise yourself with the format of a computer based examination and this can be experienced via the Pearson Vue website at <http://www.pearsonvue.com/athena>.

Please note there is a check-in process 30 minutes before the examination starts and as part of this you will be required to take photographs of your exam room, desk space and photographic identification, for example, your passport or driving licence. **It is essential that the name on this identification matches the name your CILA membership record.** If you have any concerns about this please contact the Institute as soon as possible and no later than five days prior to your exam sitting.

### What is the pass mark?

The marks required for a pass in a CILA Advanced Diploma exam paper will be 60% of the maximum marks. Candidates will not receive the mark they were awarded in an exam paper however they will receive an indication of their performance based on the following framework:

D = Distinction	(75% - 100% of the maximum marks)
P = Pass	(60% - 74% of the maximum marks)
X = Fail	(50% - 59% of the maximum marks)
Y = Fail	(40% - 49% of the maximum marks)
Z = Fail	(0% - 39% of the maximum marks)
A = Absent	

A candidate who passes the two Advanced Diploma exam papers with a mark of 70% or more in each paper and an average of 75% or more in the two papers combined will be regarded as having passed the Advanced Diploma qualification with a Distinction.

### How and when will I receive my results?

The results for the CILA Advanced Diploma exams are published no later than three months from the date of the exam sitting. The Institute will notify you by e-mail when your exam results are available to view via your online account, My CILA.

### What happens if I pass?

When you have successfully passed AD1 and AD2 you will be eligible to upgrade to the Advanced Diploma membership grade. The Institute will contact you within three weeks of the date of your final exam to make arrangements for payment of the increased subscription fee and the posting of your certificate.

### What happens if I fail?

You can apply to re-sit an exam via the Pearson Vue website and the cost is as follows:

AD1 = £200

AD2 = £200



The Institute will consider appeals from candidates who obtained an X grade in an Advanced Diploma exam. You must submit your appeal, by e-mail, within fourteen days of the publication of the results. You should set out, in no more than 500 words, the basis of the appeal and make a payment of £200 to the Institute. The appeal will then be considered by the Examinations Committee and you will notified of the outcome within 28 days of submitting the appeal.

### **Liability of the Institute**

If the Institute, for reasons outside its control, should find it impossible to hold any of its scheduled examinations, or if a candidate's completed examination script be lost or destroyed, the Institute's liability shall be limited to a complete refund of the examination fee paid in respect of the examination concerned.



## The CIL A Advanced Diploma Syllabi

The topics of the syllabi have been set in two categories, which require different levels of knowledge. The categories and the respective levels of knowledge are:

### **Thoroughly Understand:**

This requires an in-depth knowledge of the topic including an up to date understanding of the law and the ability to demonstrate the application of the knowledge across a wide range of subjects and situations.

### **Understand:**

This requires an overall knowledge of the facts of the topic and sufficient knowledge to enable reasoned argument to be presented on the subject in various situations.

### **Law & Practice**

Where questions of law and practice are involved candidates will be expected to answer these according to the law and practice in either of England, Wales, Scotland and Northern Ireland or of their domiciled country. The candidate should give a clear indication of the country and this must be stated in the examination answer.

Candidates must display an up-to-date knowledge of law and practice. However they will not be examined on changes that came into effect within 6 months of the examination. Where a question arises on a topic affected by such a change the answer may be based on either the old or the new position and equal credit will be given in either case.



## AD1 - Application of the Principles of Insurance

### Thoroughly Understand

1. Adjustment of claims under the following policy covers:
  - a) Typical modern “All Risk” Policy
  - b) Typical modern Perils including theft and accidental damage
2. Warranties in fire and theft policies
3. Special perils extensions including sprinkler leakage
4. The principle of Subrogation and appropriate rights of recovery such as Negligence, Nuisance, Trespass, Contract and Statutory
5. Procedures in relation to investigation of the extent of loss, statements and their content, onus of proof in relation to cause and validation, reservation of rights, salvage, protection and extinguishment expenses
6. Validation of quantum – means by which quantum may be proved/demonstrated. Practical solutions where records are destroyed.
7. Ethics and treating the customer fairly
8. Typical Perils and their definitions

### Understand

1. The legislation as detailed in DP1 and DP2
2. Legal entities – Private Individuals, Partnerships, Limited Liability Partnerships, Limited Companies, PLC’s, Charities, Chartered Bodies
3. Stock Declaration Insurance, First Loss policies and Blanket policies
4. Excess, Deductible and Franchise
5. Policy Limits, Average Conditions and other penalties for underinsurance
6. Practical application of typical Domestic wordings including Contribution arising out of Alternative Accommodation
7. Requirement for and applications of Risk surveys
8. Dispute resolution including Arbitration and Mediation
9. Practical knowledge of the FOS reports and decisions, including use of their helpline
10. Fraud Indicators



## AD2 - Adjustment of Claims

The examination for this subject will comprise both compulsory and optional questions.

Candidates should note that the syllabus is divided between general topics which apply to all candidates and specialist topics. Prior to the examination, candidates will select one specialist topic from the following:

Property Domestic

Property Commercial

Liability

Business Interruption

Subsidence

The syllabus is divided between subjects that the candidate must understand and subjects that the candidate must thoroughly understand.

You are reminded that all candidates are expected to have the knowledge required to pass the Certificate and Diploma level CIL A qualifications.

### Understand (All Candidates)

1. Adjustment of claims under the following policy wordings:
  - a. Typical "All Risks" policy
  - b. Typical Perils policy including Theft and Accidental Damage.
2. Typical wordings for Reinstatement Memorandum, Day One Reinstatement Memorandum, Public Authorities' clauses, Contract Price clause, Professional Fees clause, Debris Removal clause and Appreciation in Value clause (Escalator)
3. Principles of Business Interruption insurance including mitigation, Material Damage Proviso, Maximum Indemnity Period, Gross Profit, All Other Circumstances clause, Increase in Cost of Working, Savings, Declaration Linked and Sum Insured bases of cover.
4. Building construction
5. Dealing with wet/dry rot claims under typical Perils and All Risks wordings
6. CDM Regulations, Party Wall legislation
7. Roles and responsibilities when Contractor Networks are engaged in claims
8. Appreciating asbestos issues in building claims



## Thoroughly Understand (Property Commercial Candidates)

- a. Methods and principles of calculating indemnity valuation of buildings; machinery and plant; fixtures and fittings; tenants improvements; raw materials; manufacturers work in progress and finished stock; wholesale and retail stock
- b. Dealing with Stock claims

## Thoroughly Understand (Property Domestic Candidates)

- a. Typical Household wordings, Extensions to wordings Professional fees, Alternative Accommodation, Frozen Food, Loss of Keys, Occupiers and Owners Liability cover
- b. The validation of quantum in relation to silver, gold, diamonds, jewellery, art and antiques, electronic equipment

## Thoroughly Understand (Liability Candidates)

- a. Typical Public Liability wording
- b. Typical Employers' Liability wording
- c. Typical Products Liability wording
- d. Typical Contractors Public Liability
- e. Court, Civil Procedure Rules (including use of Portal) systems including Pre-Action Protocols

## Thoroughly Understand (Subsidence Candidates)

- a. Typical policy wordings for Subsidence Peril; Exclusions; Professional fees
- b. Causes of Subsidence and Heave, identification, soil characteristics, soil shrinkage, effects of tree roots, mining, leaking drains/water pipes
- c. Diagnosis and measurement of movement, soil types and their effects, methods of repair, *stitch bonding, epoxy resin bonding, strapping, mini piling, pad and beam, framing, mass concrete underpinning*
- d. ABI Domestic Subsidence Agreement Options 1,2 and 3, NHBC
- e. Landslip and Heave
- f. Party walls including Party Wall Act 1996

## Thoroughly Understand (Business Interruption Candidates)

- a. Typical Business Interruption Policy wording, Operative clause, the Business, the Premises, definitions of Gross Profit as defined in insurance policies and as commonly defined in sets of accounts, Turnover, Increased in Cost of Working, Savings
- b. Calculation of Gross Profit/ Gross Revenue, Purchases, Departmental clause
- c. Definition of Damage



- d. Application of the Material Damage Proviso
- e. Calculation of turnover trends and application of the All Other Circumstances clause
- f. Methods of loss mitigation and the information and enquiries required to support decision making around Increased Costs of Working