INSR-6010: Loss Adjusting Essential Skills

Group Case Study W18

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Complete the following assignment in groups of no more than 4. Note the due date for each portion of the assignment and refer to your detailed class schedule for the submission requirements. Marks are allocated as indicated for each section of the assignment. The total assignment is worth a total of 30% of your final grade. Late submission penalties of 25% per day apply.

You are a staff adjuster for a large Canadian insurance company. You have just been assigned the following file.

Early in the morning of January 15th, Sam was woken by the shrill bleating of his smoke alarm. He quickly gathered together the other members of his family, and their dog Daisy, and escaped the home. Neighbours had already called the fire department and the fire was quickly extinguished.

Luckily the majority of the fire damage was limited to the attached garage and the family room located just off the garage. Both of Sam's vehicles, a 2015 Dodge Charger and 2014 Chevrolet Silverado pickup were a total loss due to the fire. There was considerable fire damage to the inside of the garage, and to all of the personal property stored therein. There was also smoke, and some water damage throughout the house. The cause of the fire is still under investigation.

Part A: The First Notice of Loss

1. What information would you expect to find on the first notice of loss? (10 marks)
2. Outline what Sam's broker's role will be in the claims process. (5 marks)
3. How would you explain to Sam what his obligations are under the policy contract? What would be the best way to ensure his cooperation? What are the ramifications if he refuses to cooperate? (15 marks)

Part B: The Investigation

You have been asked to write a module to be used for training new adjusters in effective interview skills. What approach would you recommend? Based on the information found in Study 5 prepare the training module for a half (1/2) hour training session. You should produce a Power Point presentation or a brochure with a corresponding training manual or workbook. You should also include some form of evaluation. (30 marks)

Part C: Evaluation and Negotiation

You have made Sam an offer to settle the total fire loss on his two vehicles. Sam does not feel that the amount offered for his vehicles if fair. You must use your negotiation skills in order to handle the situation.

1. Explain how you would have determined the value of the automobiles. (5 marks)
2. What is your action plan to resolve the issue of value for the automobiles with your claimant? (10 marks)
3. Explain your options with respect to alternative methods of dispute resolution. (10 marks)

Part D: Settlement of Automobile Physical Damage Claims

It has been determined that San has not purchased the coverage for Loss of Use of the Vehicle (OPCF # 20) or for Waiver of Depreciation (OPCF #43) on either of his vehicles.

1. Explain what steps you will have taken in order to specifically investigate the automobile fire loss. (10 marks)
2. Do you have any concerns about this loss? How would you pursue your investigation based on these concerns? (10 marks)
3. Explain briefly what coverage Sam would have had if he had purchased these common automobile endorsements? (10 marks)
4. What steps would you take in denying a claim for which coverage could have been purchased? (5 marks)
5. How would you reach a positive outcome in this situation? (10 marks)

Part E: Residential Property Claims

1. Explain the peril of fire in a residential property policy. (5 marks)
2. The insured and his family will not be able to move back into their home for at least a month while repairs are underway. Explain how a claim under the Additional Living Expenses portion of the policy would be calculated. (5 marks)
3. Explain the steps involved in estimating the building damage amount for this claim. (10 marks)
4. What other policy terms, found under Basis of Claims Payment, would be taken into consideration in the settlement of the property portion of this claim. (10 marks)

Part F: Liability Claims

Due to the proximity of Sam's property to his neighbour's, the heat and flames from his fire caused extensive damage to the exterior of the neighbour's home as well. The neighbor has filed a lawsuit claiming that Sam's negligence resulted in the loss to his property as well as the ongoing emotional and psychological harm to his family. The suit claims that all members of the neighbour's family suffer from Post-Traumatic Stress and depression caused by the trauma of that night. They have filed a suit in the amount of $500,000.

1. Discuss how Sam's liability will be assessed in this case. How will we determine if this is an actionable tort? Was there a duty of care owed? (10 marks)
2. Outline the factors you must consider in the investigation of this liability claim. (20 marks)