

NAME OF SUBJECT	COMMERCIAL PROPERTY AND BUSINESS INTERRUPTION
LEARNING & SKILL OUTCOMES	OBJECTIVES
Discover the risk of fire and other contingencies to property	<ul style="list-style-type: none"> • Appraise the risk of fire and other contingencies to property
Appraise and understand the risk of theft to property	<ul style="list-style-type: none"> • Appraise the risk of theft to property
Appraise and understand the cover provided under property insurance	<ul style="list-style-type: none"> • Appraise the cover provided under property insurance
Appraise and understand the principles and the main practices of property insurance	<ul style="list-style-type: none"> • Appraise the principles and the main practices of property insurance
Appraise the main aspects of business interruption insurance, risk perception, assessment and underwriting of property and business interruption insurances	<ul style="list-style-type: none"> • Demonstrate the main aspects of business interruption insurance • Appraise the risk perception, assessment and underwriting of property and business interruption insurances
CONTENT OUTLINE	
<p style="text-align: center;">THE RISK OF FIRE AND OTHER CONTINGENCIES TO PROPERTY</p> <ul style="list-style-type: none"> • Fire and Associated Contingencies <ul style="list-style-type: none"> • The general causes of fire, including the fire triangle, heating and industrial processes • The relationship between fire inception, propagation hazards and fire load • How fire spreads through: <ul style="list-style-type: none"> • Conduction • Convection • Radiation • Including issues associated with multi-tenure buildings and warehouse • The major causes of fire loss • Fire Hazards and Protection <ul style="list-style-type: none"> • The relative fire hazards of materials used in industry • The relative fire hazards of building construction materials • Methods of fire protection • Methods of protection of computer suites • Methods of protecting property from lightning damage • Other Hazards and their Control <ul style="list-style-type: none"> • Explosion hazards of flammable liquids and gases and the reduction of these risks • The hazards of dust explosions and the reduction of this risk • The hazards arising from and their control <ul style="list-style-type: none"> • Storm • Flood • Burst pipes • Impact • Malicious damage • Riot and civil commotion • Terrorism • Earthquake and subsidence 	
<p>THE RISK OF THEFT TO PROPERTY</p> <ul style="list-style-type: none"> • The nature of theft risks including <ul style="list-style-type: none"> •Area •Type of property •Security • The pattern of theft losses • The criteria for security surveys • Main security measures: 	

- Perimeter protection
- Surveillance
- Access control and security guards
- Door and window construction
- Types of intruder alarm
- Types of safe
- Main methods of protecting
 - Vehicles
 - Cash
 - Goods in transit

THE COVER PROVIDED UNDER PROPERTY INSURANCE

- The basic cover under :
 - Fire policies
 - Fire Tariff - Specified contingency policies
- The provision of terrorism cover
- The principle policy:
 - Terms
 - Conditions
 - Exclusions
 } Fire Tariff
- Theft insurance cover and exclusions
- All risks policy cover
- Methods of arrangement
- Types of property which may be insured

THE PRINCIPLES AND THE MAIN PRACTICES OF PROPERTY INSURANCE

- Clauses commonly available in property damage policies
 - First loss insurances
 - Blanket insurances
 - Floating insurances
- The use of :
 - Average conditions
 - Warranties precedent
 - Conditions precedent
 - Excesses
 - Franchises
 - Deductibles
- Renewal :
 - Procedures
 - Consideration
- Importance of sum insured review:
 - Inflation
 - Other causes

THE MAIN ASPECTS OF BUSINESS INTERRUPTION INSURANCE

- Key facts
 - The need for and function of business interruption insurance
 - Considerations concerning what needs to be insured and not insured
- Key definitions and main cover - Fire tariff for various type of specifications and example of suitable/appropriate specification for certain industry or occupation
 - The definitions of turnover
 - The definitions of gross profit
 - Standing charges and specified working expenses
 - The difference between accountant's and insurers' `gross profit`
 - The definition of the difference basis of gross profit (GP)
 - Ways of calculate GP using addition and difference basis and premium adjustment
 - Calculation of gross profit sum insured from presented accounts
 - Other bases of cover

- The definitions of indemnity period and maximum indemnity period
- Factors that impact on the selection of a maximum indemnity period
- Other Cover Issues and Market Practices
 - Additional contingencies and other extensions
 - Policy conditions and clauses - Fire Tariff
 - Special risks and occupations and the treatment of outstanding book debts
 - Renewal procedures and considerations
- Claims Practices
 - Calculation of gross profit claims using the policy 'formulae', including :
 - Dealing with the other circumstances clause
 - Increase in cost of working
 - Savings
 - The under-insurance

RISK PERCEPTION, ASSESSMENT AND UNDER-WRITING OF PROPERTY AND BUSINESS INTERRUPTION INSURANCES

- Risk Perception and Assessment
 - Main objectives of survey requests
 - The use, content and interpretation of survey reports and interruption reports
 - The calculation of estimated maximum loss (EML) and the insurer's liability
 - Main underwriting considerations
 - Standard risk profiles and deviations therefrom
 - Uses of resurveys and post-loss surveys
 - Importance of risk improvement recommendation after a survey and its implementation
- Underwriting
 - Typical risk criteria used in underwriting
 - Application of warranties, excesses, deductibles and franchises
 - Theory of rating, including classifications, discrimination, experience and interruption basis rates
 - Methods of calculating the premium
 - Impact of EMLs and acceptance limits
 - Impact of reinsurance terms and capacity on property and business interruption underwriting
 - Impact of de-tariff