

Example first-round interview exercise for pupillage applicants

The insured is a supermarket chain founded in the 1980s. It had in place an insurance policy covering physical loss and damage to its premises. The policy excluded loss and damage “*caused by war*”.

In 2023, during the course of building works at a site close to one of the insured’s supermarkets, an unexploded second world war bomb, which had been dropped in 1942 during a German bombing raid, was discovered. Bomb disposal experts were called in. They inspected the bomb, which was heavily degraded due to its age and rusting. They determined that the bomb could not be safely removed and should be detonated on site in a controlled detonation intended to limit the scale of the explosion.

A controlled detonation was accordingly carried out. In the event, the attempt to limit the explosion was unsuccessful, and the full explosive load of the bomb was released. A number of buildings in the immediate vicinity of the detonation site were damaged, including the insured’s premises.

The insured claimed on its insurance in respect of the damage to its premises. The insurers declined the claim on the basis that the loss and damage was “*caused by war*” and was therefore excluded under the policy.

Was the insurer entitled to decline the claim on this basis and why?

7KBW

Example