

Commercial property and business interruption insurances

M93/P93 2017–18 edition

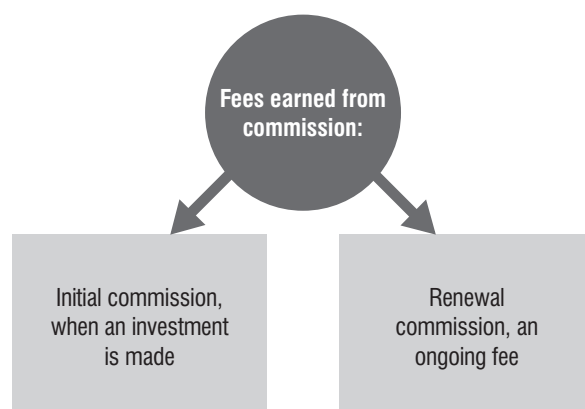
Web update 01: 22 May 2017

Please note the following update to your 2017–18 edition of the **M93/P93** study text.

Chapter 8, section D1, page 8/12

Replace the first three paragraphs, including the diagram, with the following:

There are some businesses which continue to earn gross revenue irrespective of the existence of their premises. For example, a financial adviser may earn income from fees generated from up-front advice and in the following years for ongoing fund advice and fund changes.



The initial fee is usually at a higher rate than that charged for ongoing work.

It will be obvious that as the business progresses an adviser continues and new clients are obtained, the income generated from ongoing work for existing clients will gradually increase even after allowing for the loss of some clients, while the fees from new clients will remain more or less steady. The adviser is likely to have records of prospects in hand and existing clients on a laptop or other computer system and provided this is away from the premises at the time of damage, the loss of (new) business should be minimal.