

GAB Robins

Storm Bulletin



31 December 2010

Current Surge Plan Status: RED

Surge of burst pipe claims throughout the country.



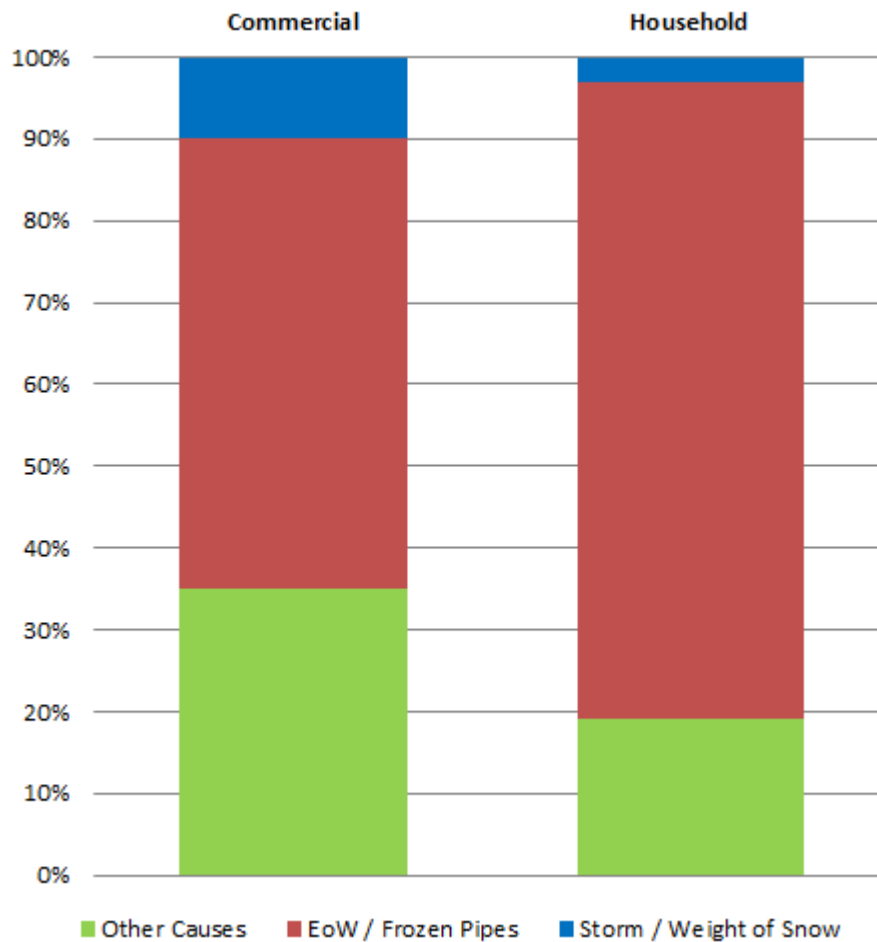
Update

As we reach the end of the coldest December for 100 years the temperatures have reached a balmy 10C in some areas for the last few days. This substantial increase in temperature has resulted in thousands of burst pipes being discovered with resultant water damage to properties.

Water companies throughout the country have been inundated with calls from customers reporting leaks, burst pipes and pressure problems. The worst areas include the North West, Wales, Cumbria and Scotland as well as the most significant water crisis in Northern Ireland. Despite the authorities working around the clock to repair leaks, water supplies are unlikely to return to normal in Northern Ireland for another week.

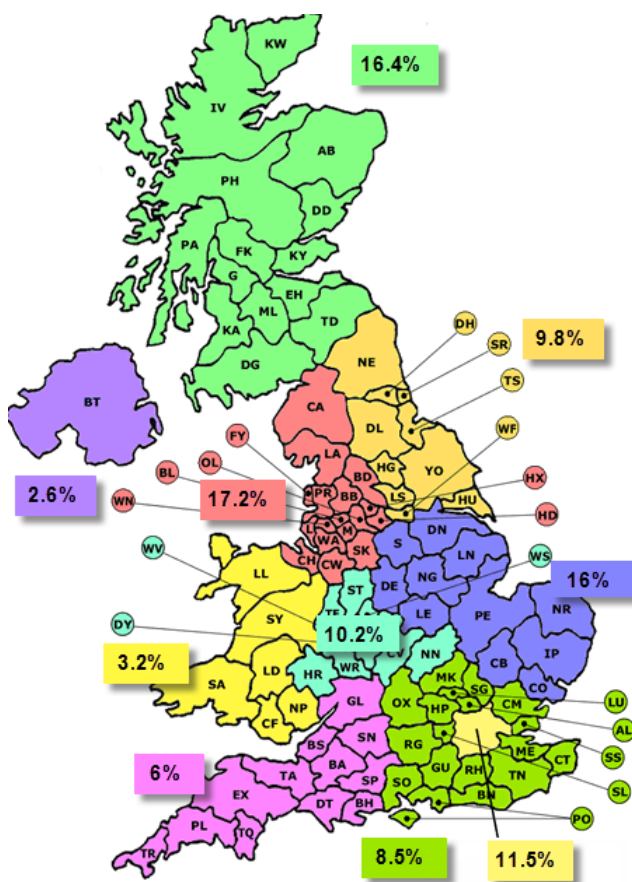
As far as weather is concerned, it is another dull and quiet day across much of Britain and Ireland as high pressure sits over the country bringing persistent mist and fog. It is unlikely that much will change in the next 24 hours but Sub zero temperatures could return during the first week of 2011.

The weather since late November has caused a huge influx of claims for weight of snow damage as well as burst pipe and escape of water claims. The Association of British Insurers (ABI) said burst pipes alone were costing £7m a day. The chart below provides an indication of the main types of claim we have received since the surge began at the end of November.

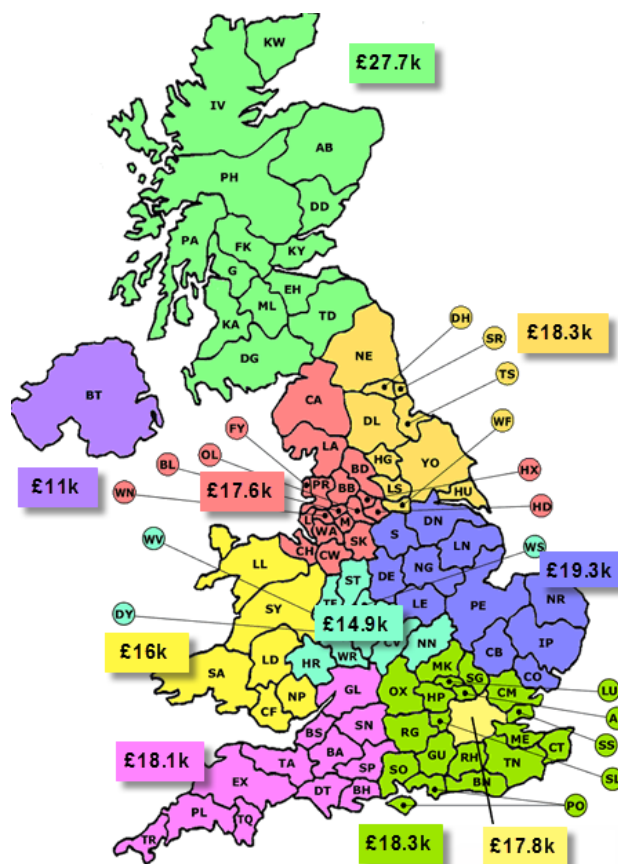


Current Activity

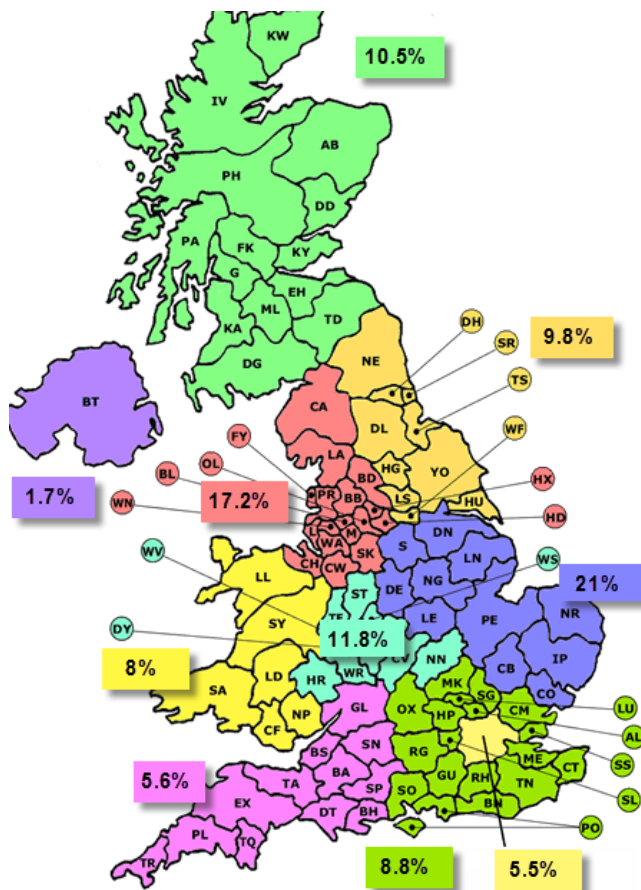
A postcode analysis of the areas giving rise to the largest volumes of burst pipe claims is as below, split between both commercial and domestic losses. We have also added an analysis of average claim values by region. Please note this excludes any large losses which would distort the averages but does provide a useful insight into the size of losses.



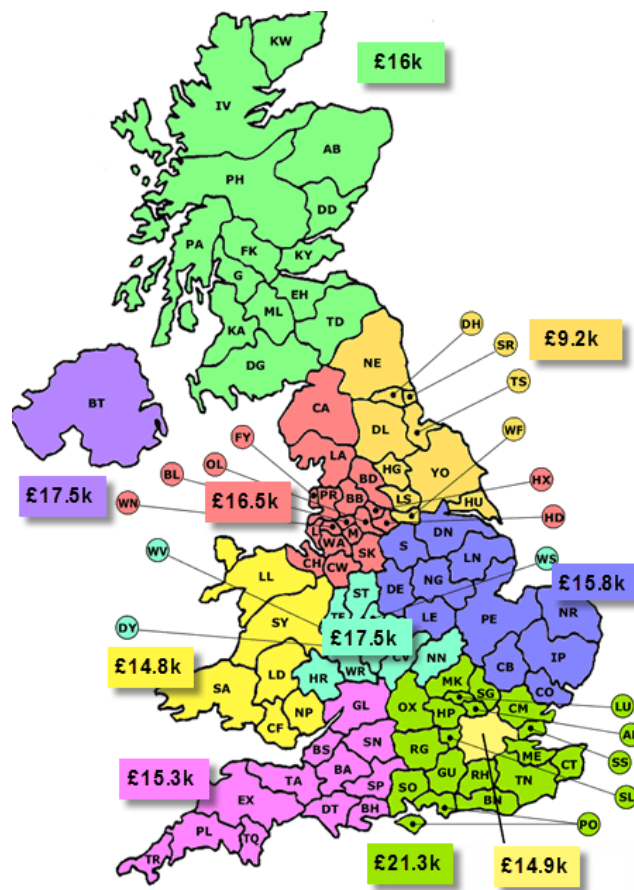
GAB Robins Freeze Claims - 31 Dec 2010
Commercial Claims - % by Region



GAB Robins Freeze Claims - 31 Dec 2010
Commercial Property Claims - Avg Values by Region
Overall Average Value = £18.9k



GAB Robins Freeze Claims - 31 Dec 2010
Household Claims - % by Region



GAB Robins Freeze Claims - 31 Dec 2010
Household Property Claims - Avg Values by Region
Overall Average Value = £16.4k

Scotland has now become one of the main areas for burst pipe intake as the thaw here has taken a little longer to make an impression. Additional resources have been provided to assist our staff in Scotland with this influx.

We have considerably enhanced our claims handling capacity and measures have been taken to maximise time available for adjusters to visit policyholders, particularly in the hot spot areas of Scotland, NW, NE and Midlands. Diary time has been extended and visits will continue to take place during weekends and Bank holiday periods.

Despite the situation in Northern Ireland our local office in Belfast is coping well and dealing with the current volumes of incoming claims. We are monitoring this situation and further assistance will be provided should the need arise.

Actions being taken, (these are continually under review):

- As we prepare for the New Year Bank Holiday our service centre staff continue to deal with new losses, and are now making appointments into January.
- Urgent or serious losses continue to be given priority.
- We are closely monitoring our performance in making initial contact, arranging appointments and completing visits with insurer specific information is being provided via Account Managers.
- Adjusters will be visiting losses up to this evening.
- A large number of our adjusters have agreed to work over the Bank holiday period.
- Extended hours being worked in each of the Service Centres.
- Additional teams in Service Centres providing support for managing existing non surge claims, providing reports and customer courtesy calls.
- All other offices are providing support which is possible using our digital technology which enables work to be carried out on the system from any location, including home workers.
- Staff from other business areas, including Robins Claims Solutions, are providing desk-handling assistance.
- Additional temporary and permanent staff have been and are being recruited.
- Many of our clients have agreed to the transfer of lower value, non complex building claims to our SPECS Inspection and Validation Service.
- There is also agreement with various clients to increase desk-handling thresholds.
- Our Major Loss team fully mobilised.
- Additional resources have been provided for BRICS, our buildings repair solution and SPECS, the inspection and validation service.
- Our IT department is providing additional MI reports tracking surge related claims.
- Further urgent losses over the Bank Holiday period can be notified to us via GAB Robins Emergency Helpline **0870 606 1234**.
- We are closely monitoring the situation with regard to supplier capacity, particularly the restoration companies, as drying kit availability is running very low in places.

Expected Activity

Our Surge Status will remain at **RED**.

Once again there are no weather warnings in force anywhere in the United Kingdom.

After a very eventful year for weather in the UK - it started with snow and freezing conditions and ended in a similar way – we can now look forward to further predicted cold weather for the start of 2011!

We are not the only country affected by extreme weather events, currently there are:

- Floods in Australia – Queensland suffering worst floods for many years.
- Winter storms sweeping through the western US, bringing snow, rain and high winds to as many as 15 states.
- Worst blizzards for years affecting Eastern Canada.

As always, further bulletins will be issued as the need arises and we will continue to provide information on general progress of claims. Please contact your Account Managers for any further information or with any queries.

Insurer specific information and data will be provided via the usual channels. Please feel free to contact me if necessary

HAPPY NEW YEAR FROM EVERYONE AT GAB ROBINS

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