

GAB Robins

Storm Bulletin



16 December 2010

Current Surge Plan Status: Red

Winter freeze returns in run up to Christmas



Image courtesy of The Guardian

Snow and freezing temperatures are set to return to the UK within the next 24 hours and, inevitably, the odds of a white Christmas have been slashed by bookmakers.

Our Met Office partners have issued a severe weather warning across Scotland, Northern Ireland and much of Wales and England, with snow expected late tonight and into the early hours of tomorrow morning.

Western areas are more likely to experience snowfalls overnight, with as much as 20cm expected in some places.

There are warnings for both today and Friday and temperatures are set to drop again in London to around minus 4C and Northern Ireland minus 3C. Temperatures in Scotland could drop to as low as minus 6C and on higher ground it could be as low as minus 10C.

Hopefully the situation will not be as bad as the headline in the Scottish Sun newspaper '**It's the end of the world as we snow it!**'

Current Activity

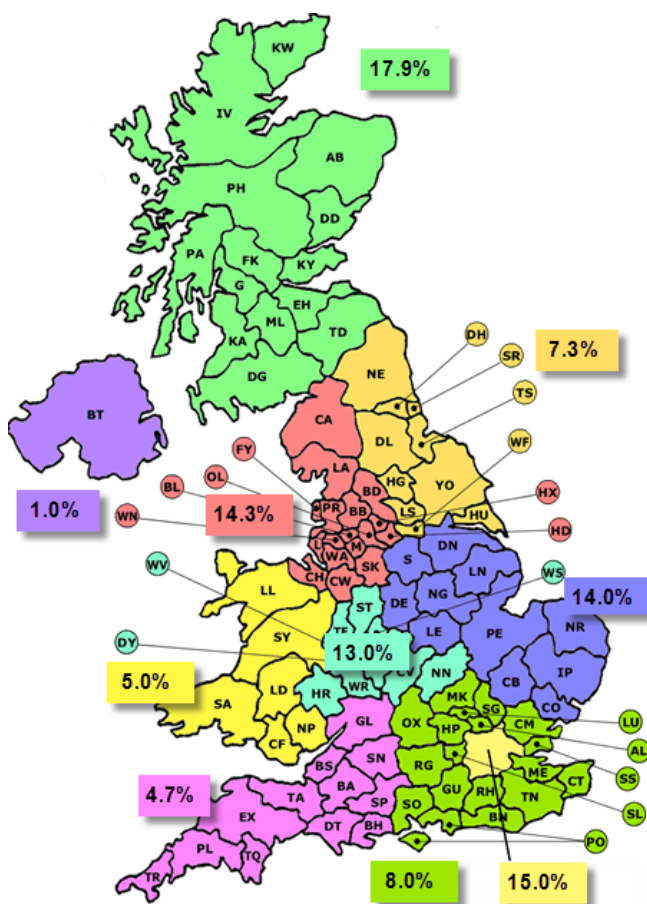
We continue to experience very high levels of incoming instructions for burst pipe and escape of water claims. Numbers have begun to reduce slightly since yesterday but we do not expect much of a reduction over the coming days. Our view is that there will continue to be a surge of freeze and weather related claims throughout the next four to six weeks. This could even be extended if the freezing weather continues and high levels of claims could well be experienced throughout the winter.

By far the greatest majority of claims relate to frozen pipes and escape of water involving domestic properties. We are still receiving more than double our normal daily intake of new instructions.

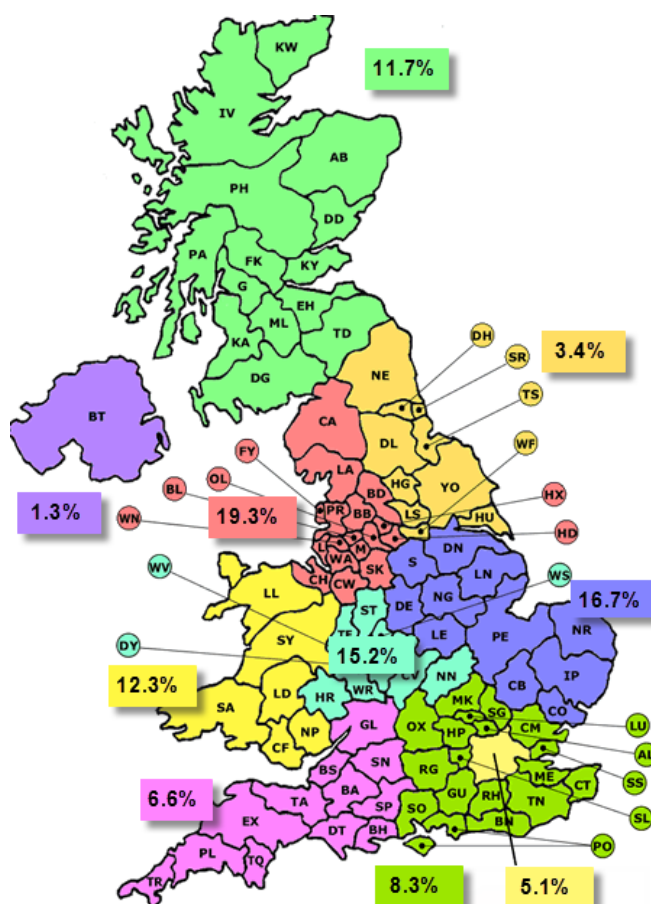
Expected Activity

A Postcode analysis of the areas giving rise to the largest volumes of burst pipe and escape of water claims is as below, split between both commercial and domestic losses.

You will note that the North West continues to be the main area for claims volume, both commercial and domestic but the Midlands and eastern counties are now experiencing much increased levels. We would expect this pattern to continue unless the severe weather expected in western areas causes a further uplift of freeze claims in both the North West and South West of the country.



GAB Robins Freeze Claims - 16 Dec 2010
Commercial Claims - % by Region

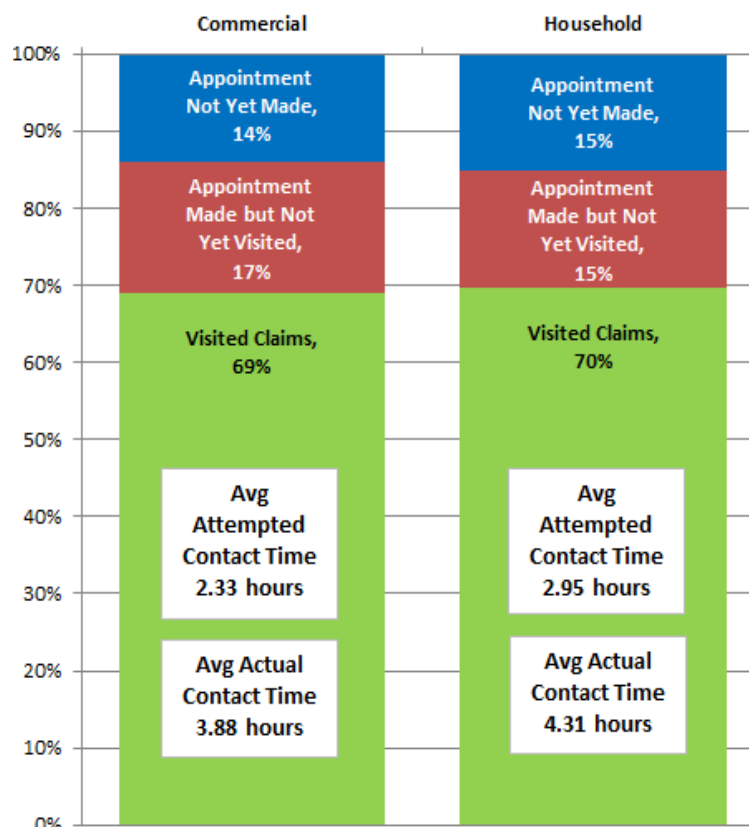


GAB Robins Freeze Claims - 16 Dec 2010
Household Claims - % by Region

We expect high volumes of claims throughout the period up to Christmas. Our focus will continue to be on visiting all claims prior to the Christmas break, wherever possible.

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

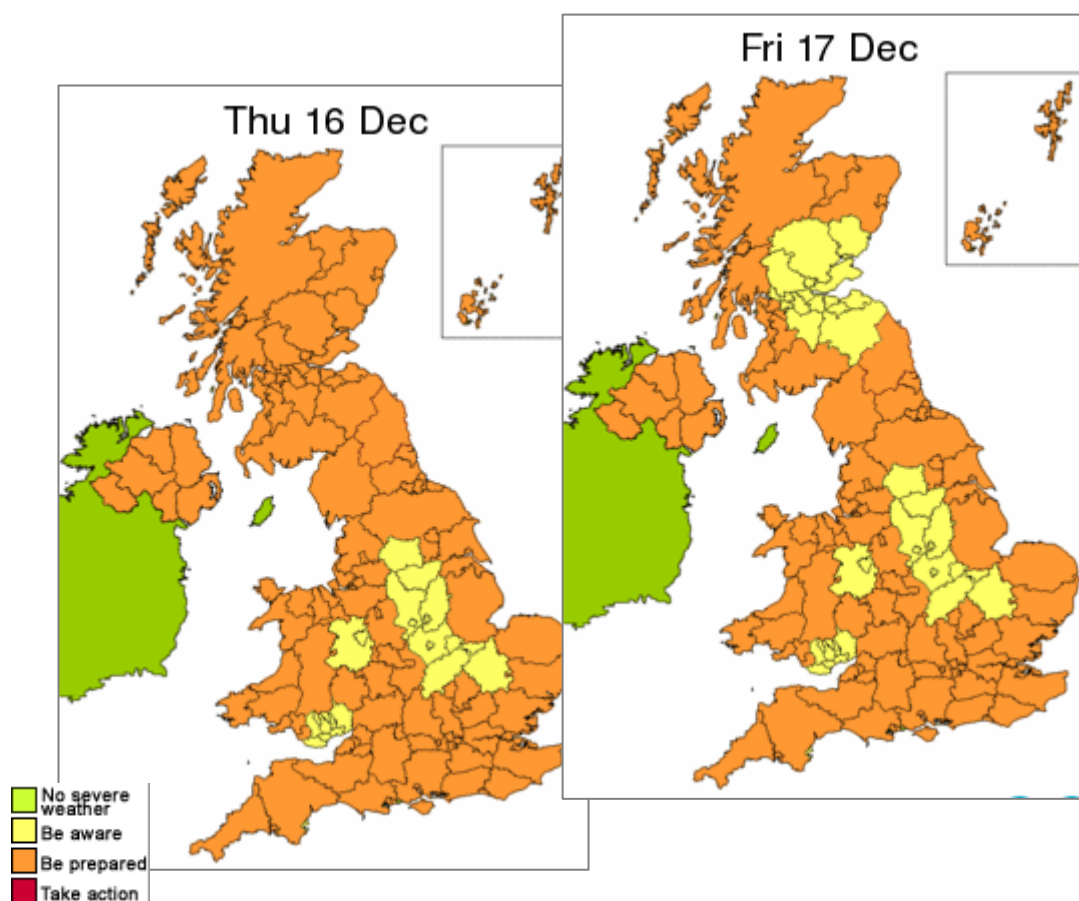
- Urgent or serious losses continue to be given priority.
- Adjusters continue to be moved to the most seriously affected areas, with additional resources being provided from other service lines within the company.
- A large number of our adjusters will be working throughout the weekend to maximise number of visits possible, many have postponed holidays to assist with the huge numbers of claims.
- Additional resources provided for Service centres in Manchester and Brighton - these offices to open throughout the weekend and with extended hours into the evening.
- Courtesy calls to policyholders will continue, via a separate team, to ensure they are kept updated.
- Various contingencies are in place with all relevant suppliers and we are satisfied there are no current capacity issues for restoration and drying work now that additional drying apparatus has been sourced by several of our key supplier partners.
- BRICS contractors are fully mobilised and will extend their normal working hours in the period right up to Christmas.
- We are continuing to monitor our performance in making initial contact, arranging appointments and completing visits. The table alongside provides a summary of appointments made and visits completed. The progress made with appointments and visits is still being maintained at excellent levels despite exceptionally high intake of claims.
- Initial contact with policyholders is being achieved within remarkable timescales given the pressures on our Service Centre staff.



Expected Activity

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

The weather warnings in place are identified on the map which is provided by our Met Office partners.



Met Office forecasters predict a band of rain, sleet and snow will push south across the UK on Thursday, causing temperatures to plummet as strong winds set in from the north. Snow showers will become increasingly frequent and heavy across Scotland, Northern Ireland and north Wales by the end of Thursday and will then extend south to the rest of Wales and southwest and central areas of England into Friday. Eastern coastal counties will also see snow showers for a time until early on Friday. Accumulations of 5 to 10 cm are expected in general, but with possibly 20 cm in places by Friday evening. Snow will be accompanied by strong north or north-westerly winds leading to some drifting.

Below is a note issued by our CEO Kieran Rigby following some very appreciative responses from our clients.

'Whilst early in the campaign and a long way to go yet, we have been receiving some very positive responses from a range of clients and brokers on our surge management performance. This reflects the tremendous efforts by everyone in the organisation to deliver their best and I would like to record thanks and appreciation to all for their commitment.'

Kieran Rigby
Chief Executive Officer
16/12/10

Further bulletins will be issued depending on conditions and claims activity. Information will be provided on progress of claims and also about any areas where access is difficult or restricted.

Please contact your Account Managers for any further information

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16th December 2010