

# Claims watchdog hunts for new broker members

By James Salmon

**T**he Subsidence Forum, the first cross industry initiative set up to agree service standards for dealing with subsidence claims, is on the look out for brokers to join its panel.

The forum was set up in response to the 2003 event year when 50,000 homes registered about £500m worth of claims as a result of the hot spell. With the average claim taking 18 months to settle and costing £15,000, this put a large amount of strain on the industry.

Although the forum is now expecting less than half the number of subsidence claims this year due to the mild, wet summer, it has set out to better prepare the industry for another surge in claims by ensuring more efficient claims handling.

The insurers, adjusters, engineers and specialist contractors which make up the forum will produce a series of recommendations which will form the basis of a *Best Practice* guide, due to be published next year. The guide, which is hoped to become the industry 'subsidence bible', will be available on the Forum's website: [www.subsidenceforum.org.uk](http://www.subsidenceforum.org.uk). The forum has split into four sub

committees to produce a series of recommendations in four areas. These include: liability/recovery, customer care/focus, process/protocol and technical innovations, and risk management/data-share and cash settlement.

The sub committees will report back on their progress the next time the forum convenes in September, when a full time chairman will also be elected.

Rob Withers, a spokesperson for the Subsidence Forum, claimed that the industry has been crying out for a more coordinated approach to tackling subsidence claims but that the 2003 event year 'concentrated the mind'.

"For a long time we have needed a more coordinated approach to tackling subsidence claims rather than everyone thinking in their own boxes.

He added: "At the moment there is no generic service standard identifying how to deal with a subsidence claim from start to finish.

"Previously it was difficult to coordinate efforts. This is the first time an event year has coincided with the industry being mature enough to get people to put aside their commercial differences and concentrate on generic service standards."



Subsidence can have a drastic affect on homes, and is especially prevalent during hot weather

Mr Withers said the forum hoped to raise its profile among brokers and attract new brokers to join the likes of Norwich Union, Zurich, Lloyds TSB and Cunningham Lyndsey who are already on the panel. *Anyone interested in joining should call 01252 739 143.*

## Crime costs continue to soar

**T**he cost of crimes against businesses is rising dramatically, with the average cost of crime related insurance claims settlements up on last year, according to the latest findings from Axa Business Crime Index.

The average value of crime related insurance claims settlements for the first three months of 2004 increased by just over 17% compared with Q4 of 2003. The findings also showed that nearly one in five (18.6%) of insurance claims paid out to businesses between January and March 2004 were crime related; up from 15% for the previous three months.

Theft is the biggest cause of crime against businesses accounting for nearly seven out of ten (69%) insurance claims settled during Q1 of 2004. This is followed by malicious damage which accounted for one in four (26%). In addition, the average cost per settlement has doubled in the last two

tions to reduce the risk of crime.

He said: "The threat of crime facing the business community is real and growing, but by taking a few simple steps, businesses can dramatically reduce the chances of suffering from a criminal act.

The Government has established a fund to help small businesses, especially retailers, to improve security measures and many local authorities run similar schemes. However, when we speak to our business customers it is clear that an overwhelming majority are not aware that these schemes exist."

Commenting on Axa's conclusions, David Frost, director general of the British Chambers of Commerce, said: "These findings echo the results of the BCC's recent national crime survey, which showed that crime heaps significant costs on firms across all sectors of the economy. However, it is not just the cost that is damaging to British compa-

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