

28 days later.....

A damp August and end to Summer 2010 not only ruined many families holiday season it will also have substantially mitigated the event risk for this year.

This month we again start with our alert forecast.

1. MORECS data at our key target site first stalled and then declined particularly due to the heavy and concentrated rainfall after the 20th August across the south.
2. It was the **coolest** August since 1993.
3. The Atlantic and Jet have increased activity.

With repudiation rates falling and regardless of a wet start and end to August active claim numbers will increase and there remains a risk of a 2005—2006 type claim year but the risk of a full blown and nationally focussed surge is now over.

All of this only illustrates how sensitive the British Isles is to changes in Jet Stream activity, Atlantic depressions and that we will continue to struggle to forecast the final 30 days to an event, even allowing for all of the modern technologies.

Whilst Russia has baked in a once in a century drought and Pakistan drowns in the floods of the Century the overall unpredictability of weather is again the key finding of this reporting year.



The risk of regionally and locally important uplifts in claims and a clear reduction in repudiation rates is a function of the weather in the south and east to the end of July and the driest half year since 1929. The final 28 days of Summer were as they always will be critical as initiating events to a full blown event year.

Page 2 repeats the charts courtesy of the Met Office indicating the rainfall anomaly year to date and for comparison 2006.

Page 3 looks at the weather year to date. On **page 4** we give our final 2010 forecast of most likely assumptions for capacity planning.

Our intention remains to produce a monthly report, which will build a record of the forecast assumptions against the gathered actual data, such as to build confidence in the most reliable forecasting techniques available. If you have any comments on this newsletter, on any of the content, assumptions or modelling techniques, then contact us as indicated below:

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See you all in **Spring 2011**

Additional resources:

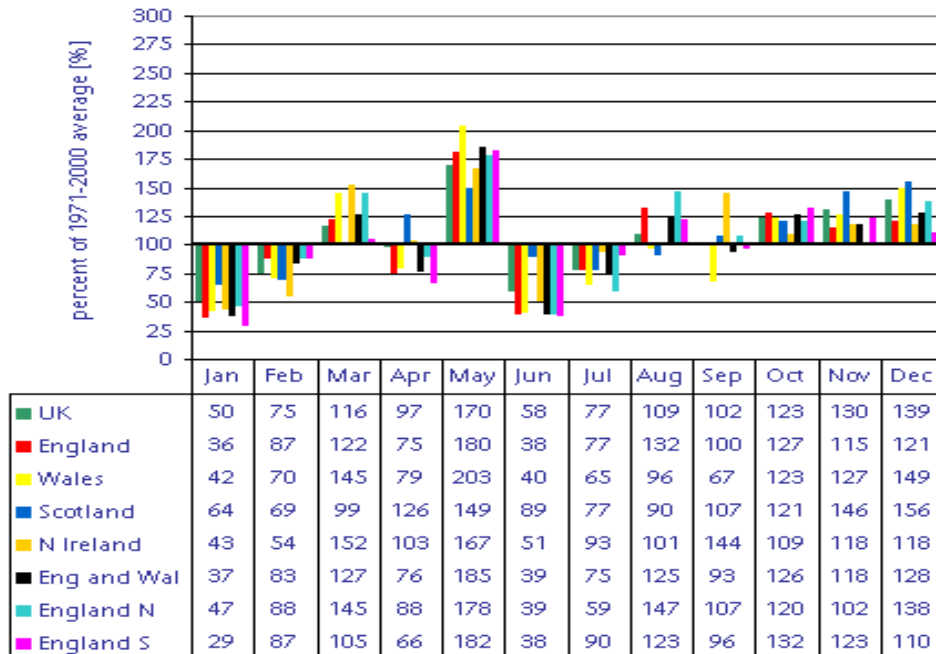
For more information on our research visit:

<http://www.landscapeplanninggroup.co.uk/our-blogs/insurance/>

Rainfall Anomaly 2006

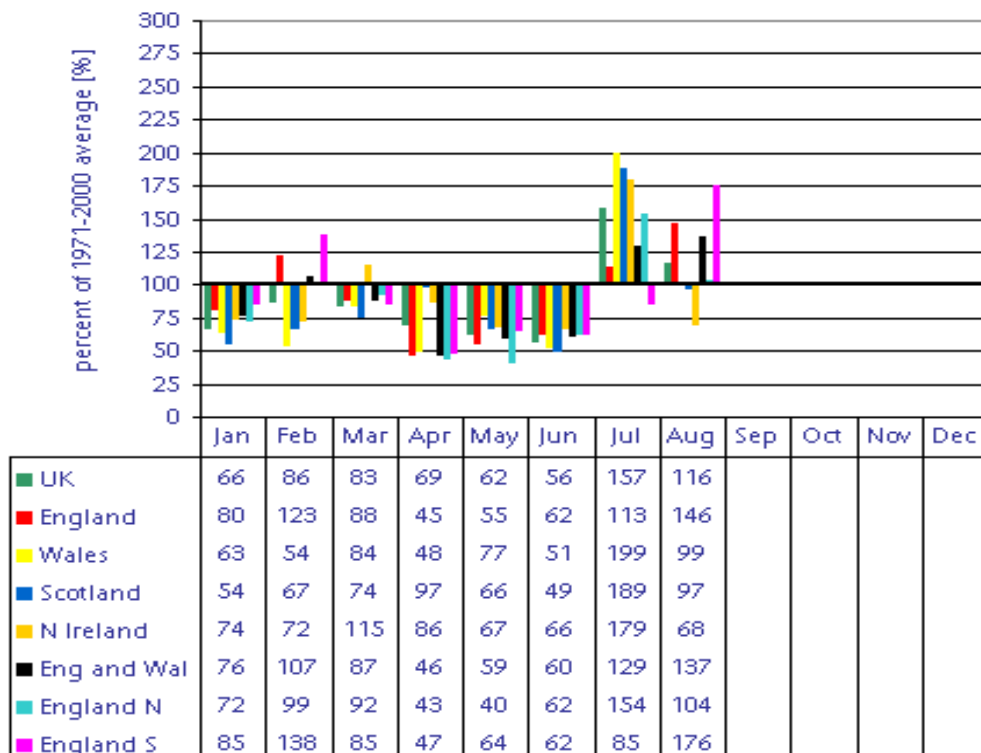


Rainfall (1971-2000) anomalies for 2006



Rainfall Anomaly 2010

Rainfall (1971-2000) anomalies for 2010



August 2010 - Year to date

The late winter and early Spring 2010 produced an interesting set of UK meteorological figures:

Rainfall anomalies

There were modest anomalies through January, February and March with the period being ordinary. However in April, some striking anomalies existed relative to rainfall.

Parts of the south east had exceptionally low levels with East Anglia having only a quarter of normal rainfall, for the midlands and south east it was a month in which only 40% of normal rainfall fell. This anomalous position continued strongly into May 2010 which saw a very dry month across the English lowlands.

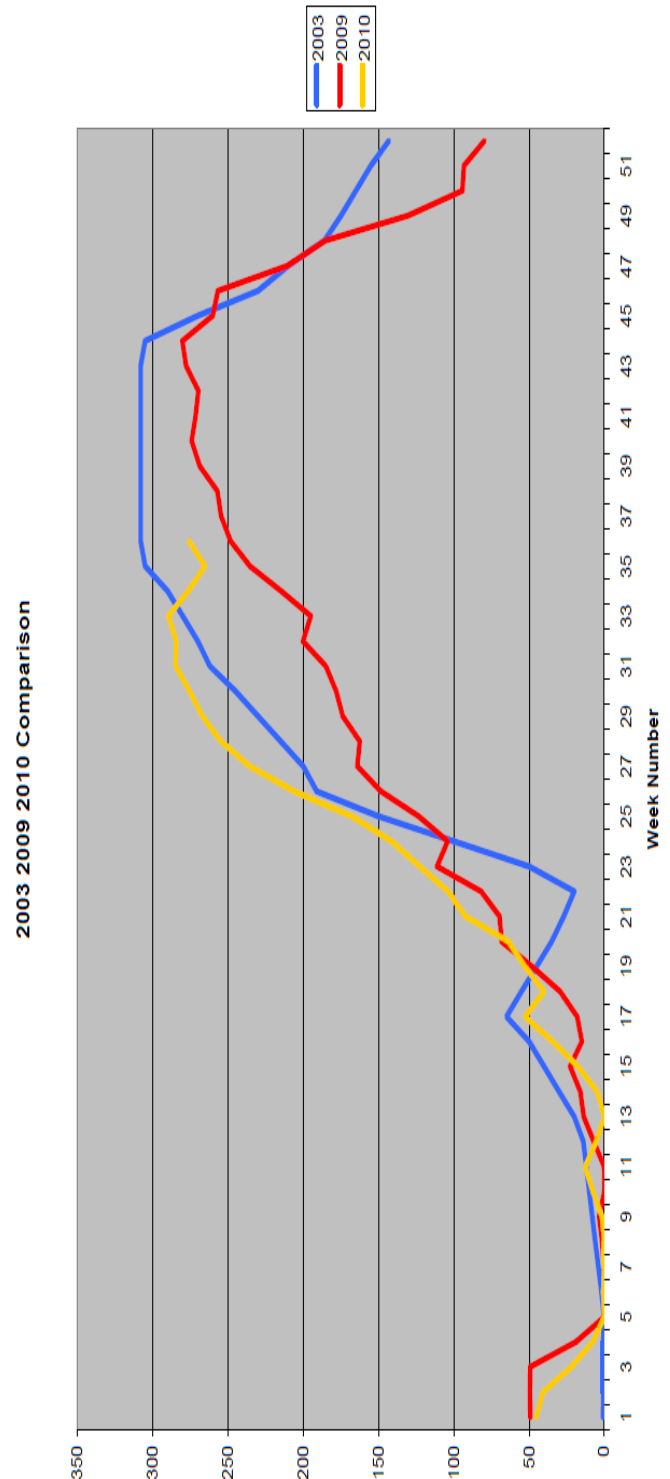
At the end of June this cumulative position has led to the driest first 6 months since 1929.

July was wettest in the north and west and the south was drier than normal with further anomalies across East Anglia and an eye watering 55% of normal rainfall for the south east.

However rather cool and moist W to NW airflow covered the UK for much of August; the only anticyclonic interventions were on 15th/16th and 30th/31st. Overall it was the coolest August since 1993 -- a reflection of the absence of cool Augusts recently. It was very wet and very dull in southern England, the south Midlands and East Anglia, but rather dry and quite bright elsewhere.

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MORECS DATA



Forecasting assumption 2010

Factor 1

The previous year

The year 2009 was dominated by a significant **April, May** and to end of **June** low rainfall anomaly and with an extraordinarily wet July followed by an ordinary August, then followed by a late dry September / October and second extraordinarily wet month in November. The MORECS data for the main site rose steadily to figures not seen since 2006 / 2003. Soils did come under drying pressure from plants with the July anomaly breaking the pressure on soils which picked up as a second spike through the months August, Sept and October.

Factor 2

The current model MORECS has first stalled and then declined with a modest rise at the start of September.

Factor 3

The current plant health status

Since the last significant plant stress event during 2003, there has been a succession of warm and wet summers and a mix of ordinary and wet winters.

Plant health as a macro vegetation factor is driven by water availability and ease of access to water in the soil. With few stress periods of intense heat and prolonged dryness for the last four years and particularly after 2007-2008, plant health as a broad indicator is high and the plant community will respond quickly to any dry period in good health.

Factor 4

Societal issues

There is a high appreciation of subsidence as a factor of modern property ownership. Given the credit crunch of 2007—2009 and the low level of sales, of first time buyers and of mobility generally, there may be a dampening in identified subsidence cases from this source. However, with property owners concerned about equity values in their homes and with concerns associated with falling average sale prices, pressure from suspected building subsidence may cause greater sensitivity to cracking in buildings. It is noted that the property market is again stalling in Autumn 2010.



CURRENT FORECAST

Based on all of the data available and the current forecast for the remainder of 2010 the risk of a full blown event year has fallen and is now set at **amber**.

The key factor modifying the July high risk has been the westerly air flow over the UK during August 2010 with some intense bursts of heavy rain for the south and east.

This forecast position will now remain until May 2011.

