

## **New Subsidence Forum Briefing Notes**

A new Subsidence Forum has been created to help tackle the surge of 2003 subsidence claims and better prepare the industry for the second wave of claims, yet to come after this year's dry weather.

It is estimated that up to 50,000 homes notified some £500m worth of claims as a result of the 2003 hot spell. If 2004 follows suit, a further 50,000 homes will be affected by subsidence, adding another £500m to the claims bill.

Subsidence claims are putting a tremendous strain on the insurance industry, both financially and from a resource point of view. Each claim takes up to 18 months to settle and the average cost is £15,000.

The aim of the Subsidence Forum is to reduce the amount of time and expense spent on each claim. It will provide a common-platform to identify best practice, share expertise and produce a series of recommendations on how these often complex and emotive claims can best be handled. The findings will form the basis of a Best Practice Guide which it is hoped will become an industry 'subsidence bible'.

At its annual conference in March, ASUC Plus (formerly the Association of Specialist Underpinning Contractors) called for the formation of a Subsidence Forum to ensure a co-ordinated approach to resolving the £500m plus worth of claims expected from 2003.

The Forum's first meeting was in May and attended by representatives from all parties involved in the subsidence claims process including insurers, adjusters, engineers and specialist contractors.

Four sub-committees have been formed and are working on producing a series of service recommendations (from notification to completion), in areas covering;

- Liability/Recovery
- Customer Care/Focus
- Process/Protocol and Technical Innovations
- Risk Management/Data-share/Cash Settlement etc

Forum Spokesperson, Robert Withers, comments: “No generic service standards or recommendations are currently available within the insurance industry – there is an agreement between insurers re; the handling of subsidence claims if a customer changes insurer, but this does not extend to protocols once a claim is in progress. Although the customer is protected, this agreement can lead to internal wrangling between the parties over liability issues, for example, tree recovery actions.

“If we can establish a generic protocol in the four areas we’ve identified – this will allow all parties to get on and settle the claim. This has got to be a win, win scenario both for insurer and customer. We want to unify the various parties involved in the subsidence claims handling process and enhance the understanding of each others role.”

Robert concludes: “The industry has lost a lot of skills and expertise over the years, so this Forum and our Best Practice Guide will be an invaluable information tool for people who are dealing with an ‘event year’ for the first time.”

Members currently include; Norwich Union, Zurich, Lloyds TSB, the Halifax, Cunningham Lyndsey, Crawfords, GAB Robins, the National House Building Council, the Building Research Establishment, the UK Drainage Network, Structural Surveys Direct, Treesubs, Building Risk Solutions, Ellipta, VKHP-Douglas Rose partnership and representatives from its founding body, ASUC Plus.