

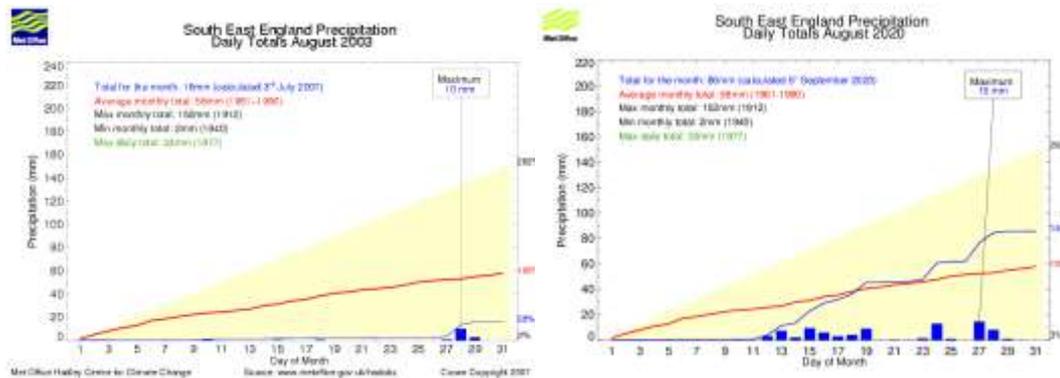
Subsidence View – 8th Sept 2020

What does the record breaking August “heat wave” mean for subsidence claims volumes in 2020?

August 2020 was ultimately a “tale of two halves”. The record breaking heat wave temperatures during the first 2 weeks saw the MORECS measure of Soil Moisture Deficit (measured at square 161 in the southeast) tracking closely to the 2003 surge year. The heatwave was then abruptly ended by higher than average rainfall in the second 2 weeks, causing a sudden MORECS drop.



The August heat wave has certainly caused new sudden movement/crack damage to occur, but the rainfall has now saved many other properties that were “on the edge”. The key difference between 2003 and 2020 is that the record temperatures in August 2003 were accompanied by 28% average rainfall, whereas we saw 148% of average rainfall over a sustained 2 week period in August 2020.



So does this mean there will be another large surge of claims in 2020?

This now seems unlikely. Whilst reported claims volumes across the insurance market are currently 1.5 to 2 times business as usual (with a focus of the clay soil areas of the south east) the weather patterns year to date in the Midlands and North of England generally are significantly different to 2003/2018. The size of the upturn will be dependent on the weather to come in September and October, with the BBC Weather Forecast suggesting an average month ahead.

<https://www.bbc.co.uk/weather/outlook>

Claims prediction?

The most likely outcome now is a seasonal upturn centred towards the South East of England, rather than a full blown national surge. We expect the elevated claim numbers seen during August to continue for 4-8 weeks. Overall, our prediction for 2020 is for ABI claim numbers to be higher than the 2015/16/17 three year “business as usual” average of 16,000.

If you would like to talk to us about how Building Validation Solutions can help with your subsidence surge plan or improve you approach to subsidence claims generally, please don’t hesitate to contact us.