

Property Claims Inflation
Review Support Material
June 2022



Intro

Crawford has identified an emerging trend in the cost of claims reinstatement driven by both Covid and Brexit. There a number of events which are driving a 'perfect storm' scenario in the reinstatement arena

- The impact of Brexit (labour rates and shortage of skilled trade workers)
- Construction Industry speed of growth leading to increased demand
- Worldwide demand for steel and timber
- Weather impacting the production of timber
- Increased shipping costs
- Shortage of delivery drivers
- Supply chain bottle neck
- Ukraine War

The following 3 sections of our report focus on

- Proportional cost of property restoration by repair category per peril
- Symbility Rate Changes at peril level
- Analysis of data from the Office of National Statistics.

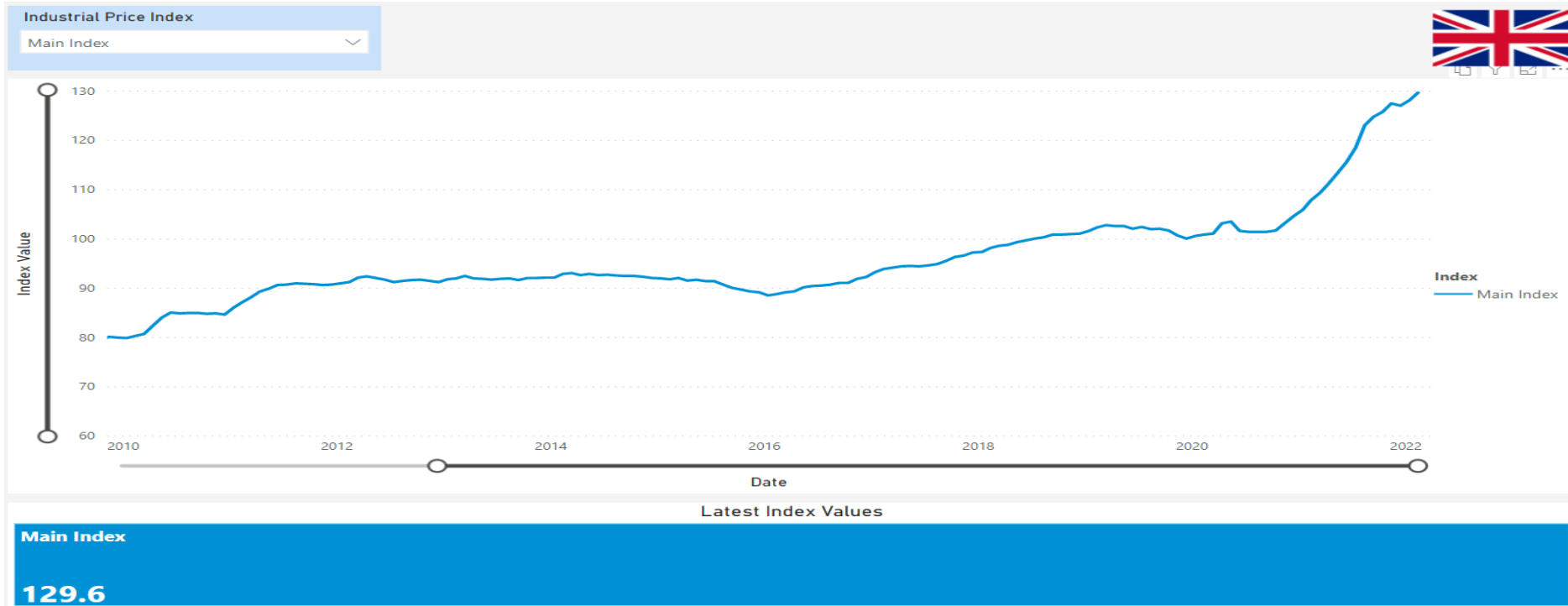
Symbility Rates Review

Construction Materials Price Index

Market Analysis

Crawford has analysed data from the Office of National Statistics to understand the market differences in the cost of materials on a month by month basis.

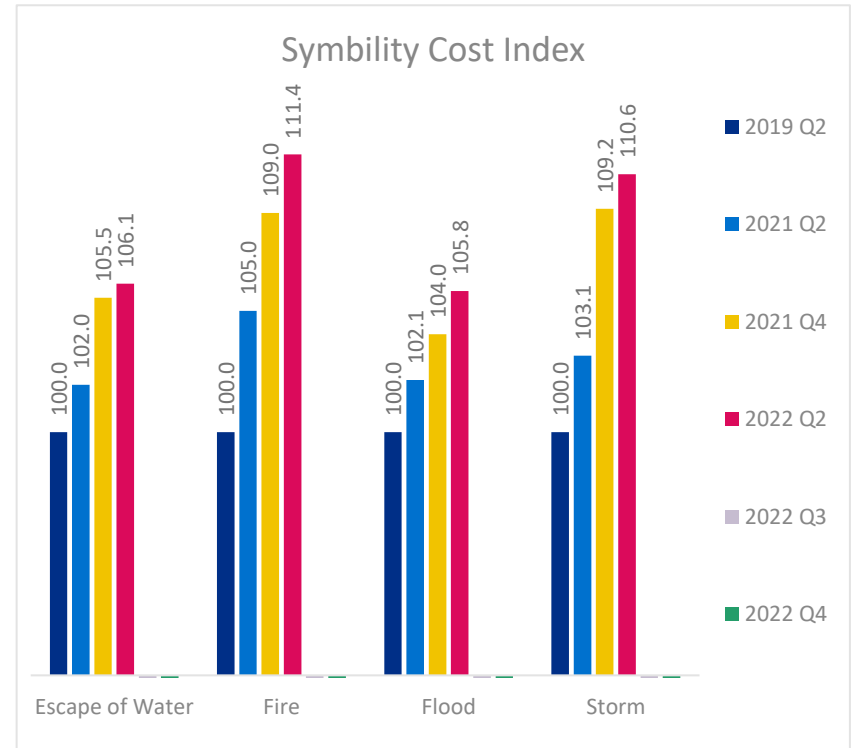
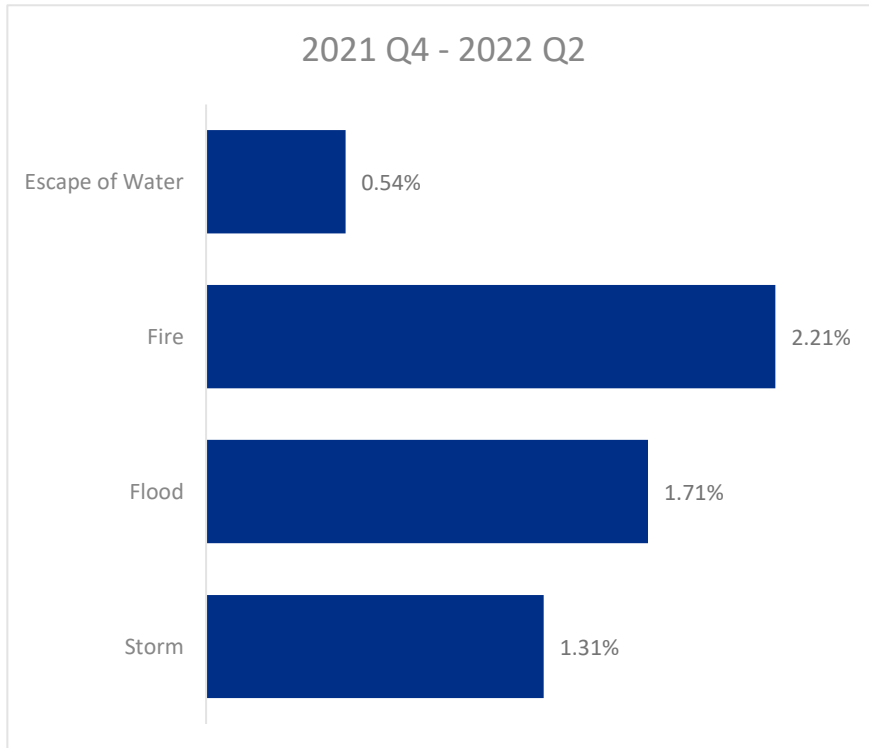
Source – Office of National Statistics



Symbility 2022 Rates Review

Basket of Goods Review – Q4 2021 v New Q2 2022 Rates

Crawford's Data Science team conducted 'basket of goods' exercises to understand the difference in cost between Symbility old and new rates.



Symbility Q4 2021 Rates Review

Drivers for Claim Cost Increase

(% represents the overall % cost increase to the property restoration which makes up circa 85% of a claim cost)

Escape of Water	Claim Cost Increase
Hardwood Solid Strip Flooring	0.91%
Chipboard floor, using water resistant chipboard	0.64%
Skirting Board	0.43%
Emulsion to walls	0.41%
Skips	0.23%

Fire	Claim Cost Increase
Timber plank cladding	1.01%
Corrugated Steel Roofing Sheets - Galvanised	0.55%
Walls and / or Ceiling - Soot Removal Film	0.49%
Emulsion to walls	0.43%
Blinding Sand/Gravel	0.40%

Flood	Claim Cost Increase
Skirting Board	0.57%
Karndean Flooring	0.43%
Emulsion to walls	0.37%
Skips	0.24%
Floating Floor	0.21%

Storm	Claim Cost Increase
Corrugated Steel Roofing Sheets - Galvanised	2.01%
Flat roof decking	0.74%
Flat roof felt	0.66%
Roof Slate - Natural; per Square Metre	0.32%
Fibre cement profiled sheets	0.29%

Symbility Q2 2022 Rates Review

Drivers for Claim Cost Increase

(% represents the overall % cost increase to the property restoration which makes up circa 85% of a claim cost)

Escape of Water	Claim Cost Increase
Engineered Wood Flooring	0.78%
Emulsion to walls	0.40%
Plasterboard to ceilings (12.5mm)	0.17%
Emulsion to ceilings	0.16%
Screed to floor	0.12%

Flood	Claim Cost Increase
Engineered Wood Flooring	0.47%
Emulsion to walls	0.37%
Karndean Flooring	0.19%
Liquid DPM	0.18%
Plasterboard to brick or block walls (12.5mm)	0.14%

Fire	Claim Cost Increase
Emulsion to walls	0.41%
uPVC Windows	0.25%
Blinding Sand/Gravel	0.21%
Emulsion to ceilings	0.19%
Plasterboard to ceilings (12.5mm)	0.14%

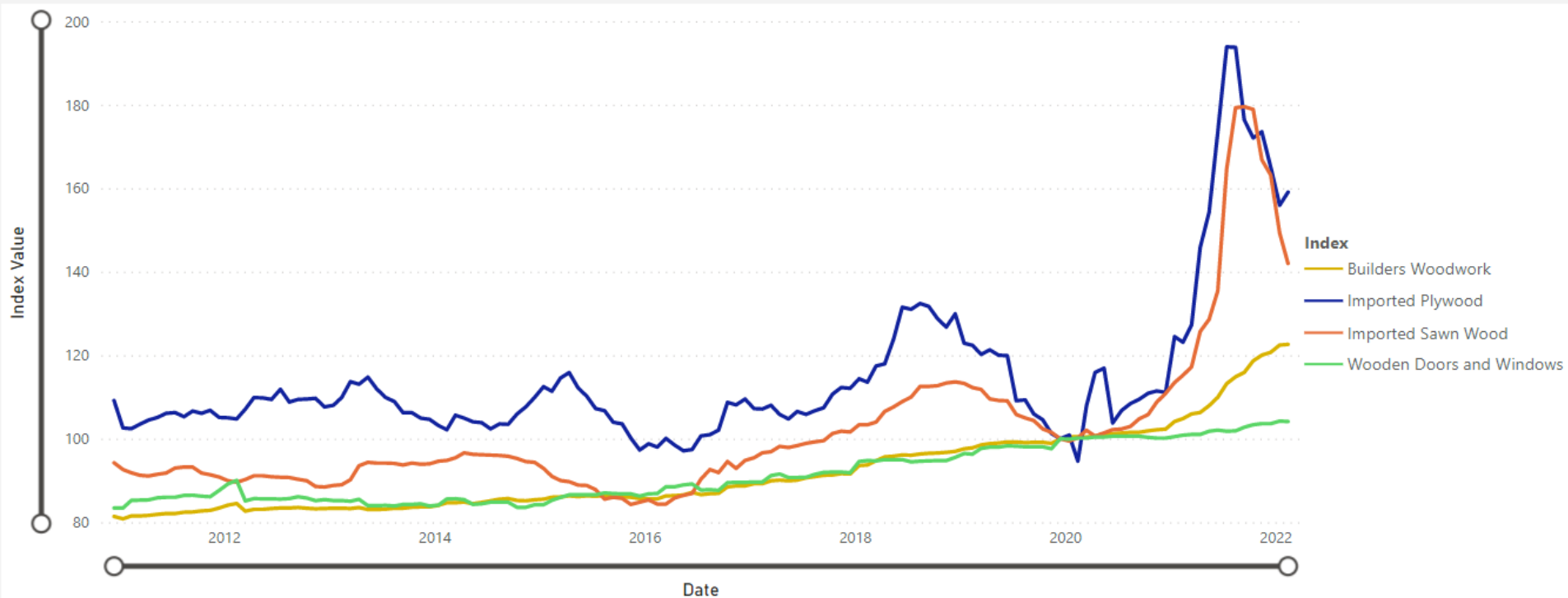
Storm	Claim Cost Increase
Flat roof felt	0.41%
Emulsion to walls	0.22%
Roof Slate - Natural; per Square Metre	0.21%
Fibre cement profiled sheets	0.20%
GRP and Fibreglass Roofing	0.16%

Construction Materials Price Index

Appendix

- ✓ Wood
- ✓ Steel
- ✓ Concrete
- ✓ Paint
- ✓ Misc

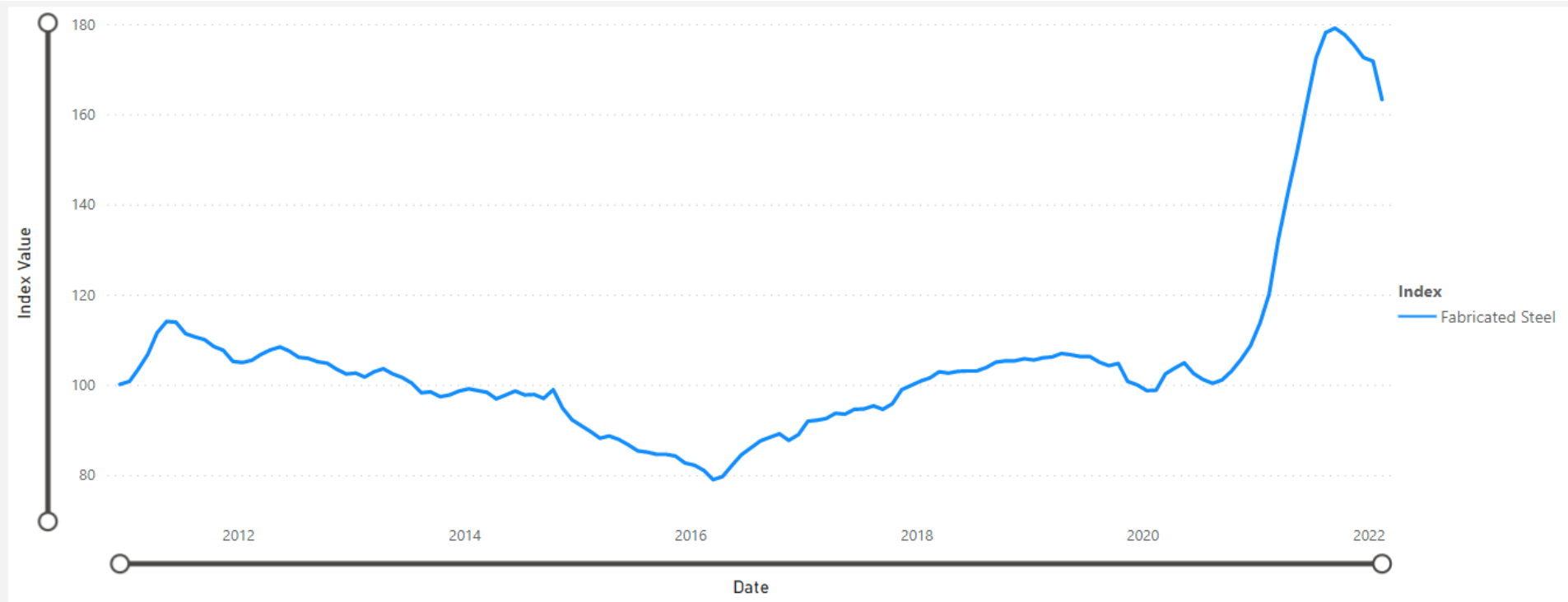
Construction Materials Price Index



Latest Index Values

Imported Plywood	Imported Sawn Wood	Builders Woodwork	Wooden Doors and Windows
159.1	142.0	122.6	104.1

Construction Materials Price Index

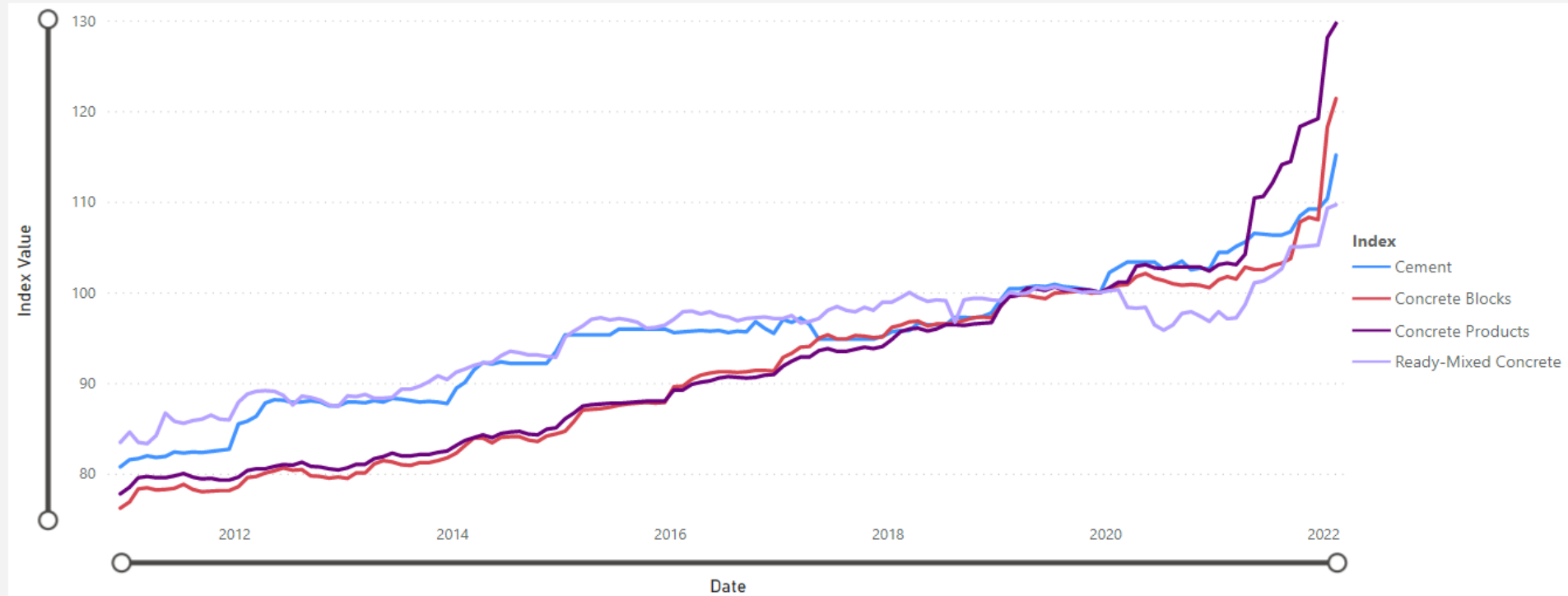


Latest Index Values

Fabricated Steel

163.3

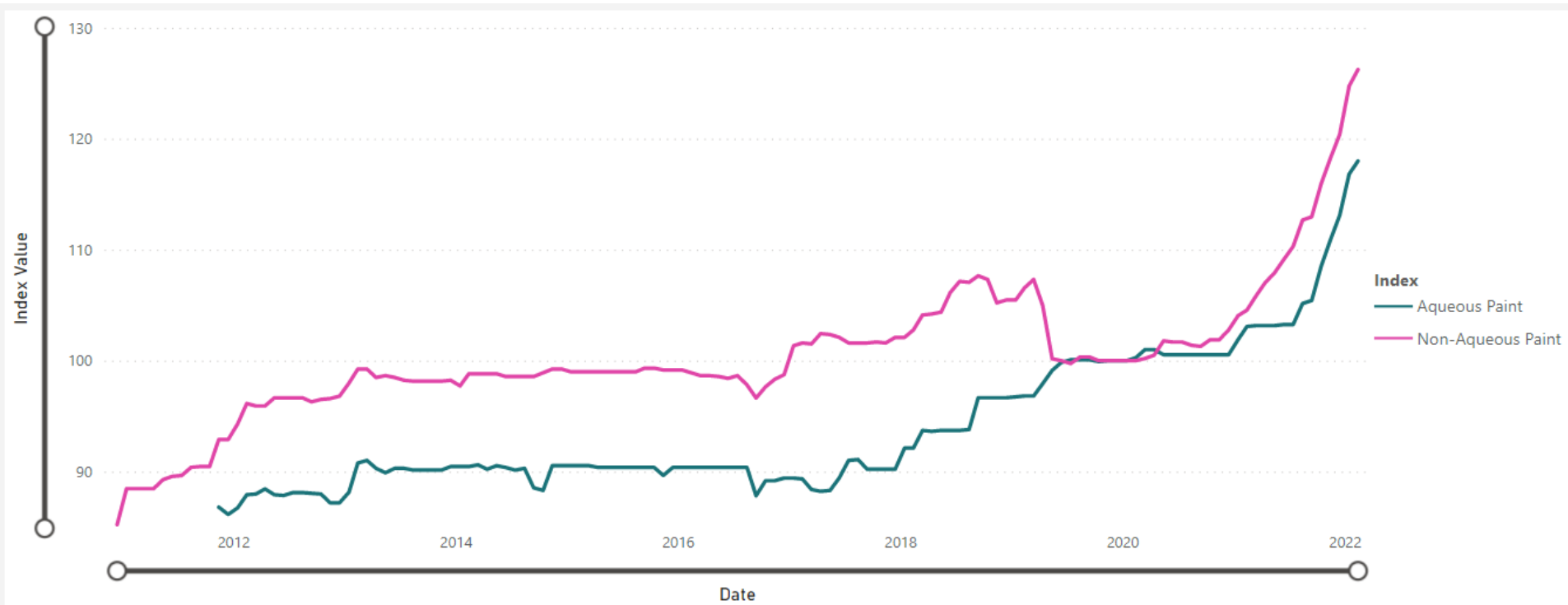
Construction Materials Price Index



Latest Index Values

Concrete Products	Concrete Blocks	Cement	Ready-Mixed Concrete
129.7	121.4	115.1	109.7

Construction Materials Price Index



Latest Index Values

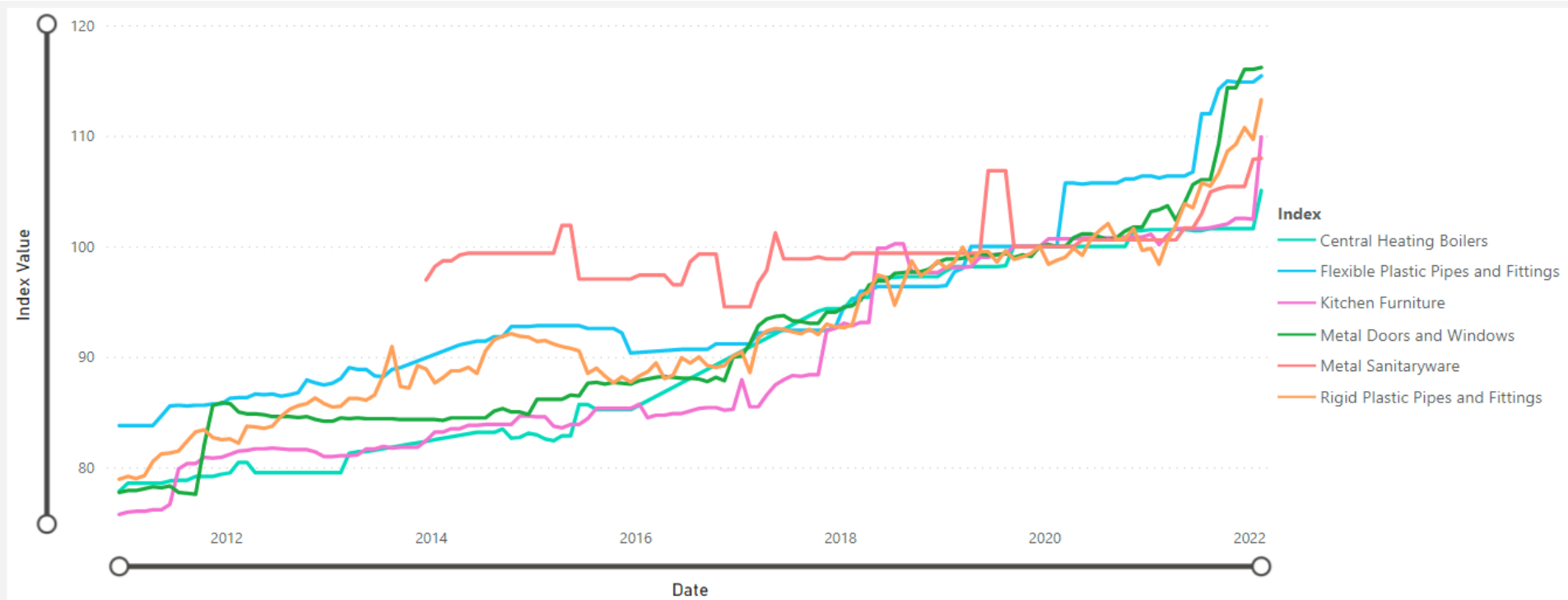
Non-Aqueous Paint

126.2

Aqueous Paint

118.0

Construction Materials Price Index



Latest Index Values

Metal Doors and Windows	Flexible Plastic Pipes and...	Rigid Plastic Pipes and Fi...	Kitchen Furniture	Metal Sanitaryware	Central Heating Boilers
116.2	115.4	113.3	109.9	108.0	105.1