

Subsidence Weather Watch

June 2022

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Welcome to the first “Weather Watch” for 2022. In this issue we take a retrospective look at subsidence numbers in 2021 and an early look at what 2022 has in store.

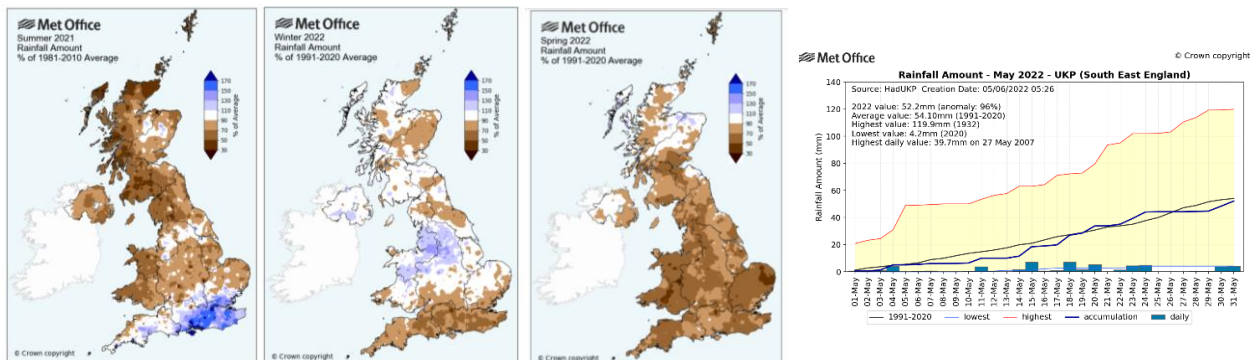


Last year?

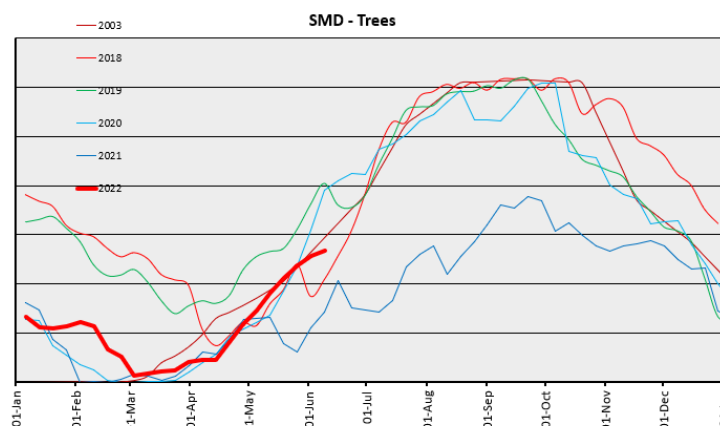
According to the Association of British Insurers, 2021 saw circa 15,200 claims – lower than the 23,000 reported in the surge of 2018, but higher than the 2015/2016/2017 3-year average of 14,000. There were unusually more claims instructed in the period January-June than July-September, due to combination of a notification lag from summer 2020 (including Covid 19 restrictions), the wet winter increasing the number of drainage related claims (and causing various “holes” to open) and the buoyant housing market driving point of sale claims.

2022 so far?

Claim numbers in the first half of 2022 are as expected and are less than the same period last year. Following a wetter than average summer 2021 in they clay soil areas of the south east, winter rainfall was round average allowing clay soils to rehydrate. Spring rainfall was generally below average across the country, although rainfall during May in the south-east was around average.



The MORECS measure of Soil Moisture Deficit took a significant step upwards during the drier than average spring, but has started to level off following the more unsettled weather experienced in May and early June. It is now currently lying between the significant surge years of 2003 and 2018.



Does the elevated MORECS mean another large surge of claims similar to 2018?

Well, all the recent surge events were triggered by record breaking temperatures in either June, July or August. However, from a similar position in 2012 the weather was cool and wet and whilst the UK enjoyed some sunshine during the London Olympics there was certainly no surge.

So what does the summer weather look like?

The Met Office are continuing their recent strategy of limiting their forecasts to 30 days ahead. The Met Office forecast indicates:

- From 14th to 23rd June: “At the start of this period, changeable conditions with spells of rain or showers are expected in northern and western regions of the UK. The south and southeast should stay mainly dry with some lengthy sunny periods, but some rain is possible here too. Temperatures trending close to average, perhaps slightly below average in the northwest and warming up across the south. Further into the period, the most likely scenario is a southwest-northeast split in weather patterns across the country. This would favour fine and dry weather across southern and southwestern parts of the UK, while the north, and especially the northeast, will remain cloudier and breezier with showers or spells of rain. Towards the end of the period, the weather is likely to become more unsettled for most again.
- From 23rd June to 7th July: “...rainfall and temperatures looking to be closer to normal as we head into July.
- <https://www.metoffice.gov.uk/weather/forecast/uk>

The Weather Outlook (TWO) have been much bolder and issued their summer forecast for June, July and August. As of 1st June, their headline is:

- “A slightly warmer than average summer is forecast. Rain amounts vary significantly, but taken across the UK as a whole they are expected to be slightly above the average”.
- <https://www.theweatheroutlook.com/forecast/uk-seasonal-weather-forecast>

Alert Status?

At this stage, our prediction for 2022 is for ABI claim numbers to be around the 2019/20/21 3-year average of 18,000. However, the surge risk remains and is currently assessed as “Mid Amber”. As the weather remains unpredictable, we continue with our preparations to review and test our plans to deal with any uplift in claim volumes should the worse happen. We recommend that insurers review their surge response plans and remain vigilant, as any upturn could arrive quickly.

If you would like to talk to us about how Crawford can help with your subsidence surge plan or improve you approach to subsidence claims generally, please contact us.

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<https://www.crawco.co.uk/services/subsidence>