

Ecclesiastical adopts new subsidence risk model

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<http://www.postonline.co.uk/post/news/2106610/ecclesiastical-adopts-subsidence-risk-model>

Ecclesiastical Insurance Group has licensed a new computer model from technology provider Business Insight that predicts the risk of subsidence claims being incurred across the UK.

The subsidence insight model is a probabilistic computer model that gives a detailed perspective into the distribution of subsidence and drought related risk across the UK.

It is based on research combining detailed information relating to different soil types, property, tree and vegetation data within every street, together with weather information and local climatic factors.

Ecclesiastical said that in future years the impact of climate change is likely to result in hotter, dryer summers and increased subsidence claims, so it is important for insurers to understand subsidence risk in more detail as they write business in new areas.

Subsidence Insight allows Ecclesiastical to enhance their existing view of high and low risk areas and to adjust their underwriting and pricing approach accordingly. It also provides insight into postcodes where Ecclesiastical has little or no claims data, enabling more accurate risk assessment and selection feeding through into bottom line benefit. Ecclesiastical Underwriting director, Paul Bloxham, said: "After a thorough review of what is available in the market we chose the Subsidence Insight solution from Business Insight. Getting a greater understanding of subsidence risk is an important area of focus for us. The Business Insight solution will complement our existing tools and technology to help improve our pricing and exposure management. The Subsidence Insight product showed impressive results when we tested it against our own data and we believe this will be a valuable tool, giving us a deeper, more precise understanding of our risk exposure."

Mark Harrison, Business Insight managing director, added: "We are really pleased to be selected as a supplier partner by Ecclesiastical. Our Subsidence Insight model is one of a number of brand new predictive perils risk models we have brought to market recently - it is best of breed in terms of the sophistication of the underlying computations and the resulting predictive accuracy. Business Insight is committed to providing Insurers with the best quality products, coupled with highly experienced back-up and support. We believe this to be a compelling solution for the market."