

Press release: Wednesday 15th December, 2010

Freeze Claims to top £200 million in 2010

Business Insight estimates freeze related property claims will exceed £200 million in 2010 based on work carried out in constructing its new computer generated Freeze Insight model.

Burst pipe claims during freezing spells are a major source of loss to the insurance industry and in 2010 there was a surge in claims in the first quarter as the UK experienced its coldest winter for 40 years. This has been followed by one of the coldest Decembers for nearly 100 years and this looks set to continue until the end of the Winter. Business Insight has spent the last 12 months constructing a computer generated Freeze risk model that predicts which areas are most likely to experience claims during prolonged cold spells. Based on state of the art mathematical modelling and extensive computing power together with over 70 million historic temperature records, 26 million properties and 1.7 million postcode locations – it is the most detailed project of its kind ever undertaken.

Mark Harrison, Business Insight Managing Director, said: “The prolonged cold spells are set to continue according to the long range weather forecast and this is likely to cause another surge in freeze related claims. This year freeze related property claims will be the highest we have seen in recent times. The forthcoming cold snap during the holiday season with temperatures likely to plunge to -15C in the South East is likely to add to this cost significantly for insurers. Anyone going away this weekend for some sun or skiing over Christmas should certainly make sure they leave their heating on or they could be at high risk”.

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About Business Insight

Business Insight is an independent provider of a range of data and software products that supports the pricing, underwriting and marketing phases of the insurance cycle. Its products are unique, with a number of the key data sets that feed into the company's 'Premium Insight' software and 'Perils Insight' models being exclusive to Business Insight.

The 'Premium Insight' premium comparison software enables users to compare their insurance rates against those of hundreds of other products from the Open GI broker quote system. 'Premium Insight' covers the household, private motor, commercial vehicle and motorcycle markets. The 'Perils Insight' databases provide detailed postcode unit predictions of the risk of theft, fire, storm, subsidence and flood for both residential and commercial insurance. The Business Insight team has extensive experience, with a number of its individuals recognised as being industry experts within their field. This expertise underpins the analytical services which can be offered to complement the company's data and software products.

For further information, visit www.business-insight.net