

How home insurance claims changed in the lockdown era



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As Ireland's economy opens up again with concerts, conferences and big match capacity crowds all back on the agenda, we take a look at the key claims trends over the second year of the 'lockdown era' - and consider what might come next.



OUR group financial year runs to 30 September, so I've been looking back over the claims notified to us over the past year. We actually processed a relatively normal volume of claims but the mix of claims has changed somewhat, with a couple of stand-out trends.

The biggest trend to watch has been escape of water claims. Over 1 in 3 (35%) of all household insurance claims we've handled have been for escape of water. This represents quite a rise on the previous year, and we believe it is largely due to the lockdown restrictions and associated challenges.

Yes, people have been in their homes, but they might not have been in the right mind-set for household DIY maintenance, when in many cases, they were just trying to stay sane and get through the day. This situation was then compounded by the real difficulty in getting a plumber to your house for routine work, with only serious emergencies allowed to have plumbers on site.

As routine maintenance is so vital in preventing escape of water claims, this lack of attention has probably been a significant contributing factor. Leaky fixtures and blocked drains have gone unnoticed, until it was too late.

Fortunately, we haven't seen any large DIY-enthusiast-bursts-a-pipe own goals this year. It seems anyone who's been getting stuck in to DIY projects during lockdown has done a reasonable job (from an escape of water perspective, at least!).

However, we have seen a few eye-catching disasters. For example, a claim where a header tank keeled over on its side in the loft, letting loose a few hundred litres of water to burst through the ceiling in a dramatic indoor tsunami.

The majority of the claims nonetheless, around 60% of them, have been brought about by slow, persistent water.

As ever, the advice is, prevention is better than cure. So before winter comes, please do make sure your clients are ready. Advise them to have their shower and baths properly sealed and their drains and gutters

frequently unblocked (a large amount of these claims can be traced back to showers and drains).

Now that we can get plumbers to call routinely, it is the optimal time to have them check for kinks, bulges and cracks, before the winter sets in.

Sometimes the source of the slow persistent water leak can be hard to trace, especially in older properties. DUAL's high net worth household policy allows for far more thorough investigation into the tracing of leaks, with very few policy limits, rather than the much lower limits provided by some standard household policies. This helps ensure the job gets done properly, and can prevent further issues down the line.

Bad year to be a burglar

The other noteworthy trend is the dearth of theft claims. You can count our burglary claims on one hand over the last twelve months, and one of those was for damage caused during a botched, abandoned attempt.

Break-ins and claims for theft of jewellery would have made up a much higher percentage of the total claims in a 'normal' year. This is potentially one of the big changes to look out for in the coming months.

Traditionally, we tend to see a rise in burglaries the week the clocks go back, so it's time to be vigilant with the home security. We've been locked down for long enough, now it's time to lock up!

Not just your clients' homes, but the things around them too, like sheds and bikes. Bicycle theft is a very common type of claim, and many modern bikes have a value well in excess of the single item limit of most home insurance policies. So, if your clients have a keen interest in cycling, this is something that they should be aware of. At DUAL, we don't impose such limits on bicycles.

As we get used to being out-and-about again, and people work from home less, theft is likely to become more prevalent again. We ask all of our brokers to help their clients sharpen up their defences, to both theft and escape of water claims.

But when clients do need to claim, DUAL policies are designed to work in the real world. We always do our best to provide some of the widest terms in the market, and be there for your clients when something goes wrong.

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