

INITIAL INSURANCE REPORT
Retained

DATE OF ISSUE:	11 th November 2021
OUR REFERENCE NO:	72126981
YOUR REFERENCE NO:	74851548913
Eaton Gate Household Davies Group Ltd (Stoke) 2nd Floor, East Court Riverside Park Stoke-on-Trent Staffordshire ST4 4EY	46 West Park Street Drewsbury WF13 4LD



General view of property



ADEQUACY OF SUM INSURED

We note the sum insured in respect of 'Buildings' is £293,048.00.

The Value at Risk (VAR) has been calculated in accordance with BCIS guidelines as not less than £587,000.00 (Please see details in Appendix 3).

The sum insured according to the BCIS calculation would appear to be inadequate being in the order of 49.92% % of the VAR.

We would seek insurer's instructions as to any penalties that may be imposed for underinsurance.

INTRODUCTION

The technical and insurance aspects of this claim are being overseen by our Regional Technical Manager, John Ellis MSc MCIOB C. Build E MCABE FCII FCILA AssocRICS, in accordance with our Project Managed Service.

DESCRIPTION OF PROPERTY

The risk address is a 6-bedroom, mid-terraced domestic dwelling comprising mainly brick and stone-faced elevations beneath a pitched slated roof.

The property is arranged over 2 and 3 storeys with cellar and is believed to have been constructed around 1850. It has been maintained to a good standard.

There is a detached garage at the bottom of the garden of similar construction

TOPOGRAPHY & GENERAL LOCATION

The property occupies a sloping site, sloping down from left to right when viewed from the front, in a residential area on the outskirts of Dewsbury town centre.

GEOLOGY

The precise geology in the immediate area can only be established by undertaking localised site investigations. However, published geological data suggests that the property is underlain by soils from the Thornhill Rock formation - Sandstone. Superficial geology is noted as "None recorded".

Our own knowledge and experience of the area would suggest that the property sits in a location where incidences of subsidence are relatively low.

VEGETATION

The following describes the major items of vegetation that are within influencing distance of the property and could therefore be implicated in the current damage:

Type of tree	Deciduous			
Approx. height	15-20 m			
Approx. distance	16-17 m			
From where	Adjacent property			
Ownership (PH or TP?)	TP			
If TP - Name of TP	Not known			
If TP – Address of TP	Not known			
TPO (if known)	Yes			

CIRCUMSTANCES

During the course of our discussions with the policyholder, we were advised of the following circumstances which led to the claim being presented:

During September 2021, noticed a crack on the landing party wall, at the top of the stairs, which deteriorated. He looked elsewhere and found the crack in the office. The Insured notified the neighbours, flats at number 44 West Park Street, about the party wall and they could not locate any cracking on their side of the party wall. Insurers were then notified.

DESCRIPTION OF DAMAGE

We would draw attention to the photographs attached as Appendix 1.

EXTERNAL DAMAGE

We could not locate any external damage.

INTERNAL DAMAGE

Internally, the party wall at the top of the stairs on the landing, exhibits a vertical crack from floor to ceiling that measures up to 8mm in width. On an internal wall on the other side of the landing, there is a similar crack about 4mm wide.

Inside the office, adjacent to the internal landing wall, there is a crack next to the door that goes through to the landing and is about 2-3mm wide.

In the kitchen, there is a crack on the party wall above a wall unit that may extend down behind the wall unit that is about 3-4mm wide. Above the exit door from the kitchen to the rear garden, there is a crack about 1mm wide that may be due to lintel deflection.

CATEGORY OF CRACKING

In accordance with Table 1 of BRE Digest No.251, (as reproduced below), the cracking in the property would be described as category 3.

Category 0	Negligible	Less than 0.1mm
Category 1	Very slight	0.1-1.0mm
Category 2	Slight	1mm to 5mm
Category 3	Moderate	5mm to 15mm
Category 4	Severe	15mm to < 25mm
Category 5	Very severe	> 25mm

CAUSE OF DAMAGE

From our initial visual inspection, we would confirm the following:

It is our considered opinion that the damage is attributable to subsidence, as a result of water escaping from the underground drainage system, affecting the landing, office and kitchen which are located in the rear aspect of the dwelling, with the drainage runs being considered to be the responsibility of the policyholder.

DISCUSSION

The location of the cracks and the fact that they are tapering suggests there has been some rotational movement towards the rear of the dwelling. The significant drainage system is located at the rear and leaking drains is a strong possibility.

However, there is a mature third-party tree beyond the rear garden and there is the possibility of a clay sub-soil, and shrinkage of the soil cannot be discounted entirely at this stage.

It is clear that site investigations are necessary in this case to assist in confirming the nature of the sub-soil and depth of the foundations, and in determining the cause of the movement.

PRE-INCEPTION DAMAGE

We note that the inception date of your policy was 24 May 2021.

It is possible that there is some degree of pre-inception damage although at the time of inception this is likely to have been negligible and is unlikely to have been identifiable as having resulted from subsidence of the site.

NON-DISCLOSURE/MISREPRESENTATION

We do not consider that there are any non-disclosure or misrepresentation issues on this occasion.

WARRANTIES

We are not aware of any warranties which would be pertinent to this particular claim.

CONTRIBUTION

We are not aware of any other insurance policy in force which could be called into contribution.

Contribution arising under the ABI Domestic Subsidence Agreement

ABI OPTION 3

We note that inception of your policy was 24th May 2021. Your policy had therefore been in existence for more than 8 weeks and less than 12 months at the time of notification of this claim on 1st October 2021. We believe that as a result, Option 3 of the ABI Domestic Subsidence Agreement will apply. In these circumstances we believe that, assuming the claim is accepted as subsidence under the policy, you will be required to deal with the claim but anticipate that you will be able to recover 50% of your expenditure from the previous Insurers. We will make contact with the previous Insurers and unless we hear from you to the contrary we will continue to handle all correspondence in connection with the ABI Domestic Subsidence Agreement.

RECOVERY

There are no means of recovery in the given circumstances.

MORTGAGEES

We are advised that there is currently no mortgage held on the property.

POLICY LIABILITY

We are satisfied that the policyholder has an insurable interest in the subject matter of the claim and that damage has arisen during the currency of the policy.

However, we are of the opinion that site investigations are necessary to determine whether policy liability engages on this occasion.

RECOMMENDATIONS

Following the above discussions and policy liability considerations, we recommend that the following actions should be implemented:

We now recommend that site investigations are undertaken to confirm our initial opinion as to the cause of the damage; with the required investigations consisting of:

- One Trial hole / bore hole to the rear elevation of the property to confirm the depth of the foundations and condition of the bearing soils beneath the foundations.
- A CCTV survey of the drainage runs within proximity of the area of concern.

The above will assist in confirming the exact cause of the movements and the mitigation works required to remove the external influence which is currently affecting the ground conditions.

We will now await instructions from insurers.

ACTION REQUIRED BY INSURERS

We refer to our comments in the report above; we now require instruction and authorisation for the following:

- Insurer's agreement to the deferred liability of the claim.
- Payment of the attached invoice.
- Confirmation when the payments have been made.
- Please provide authorisation to proceed with the recommendations described above.
- Insurers to review the building sum insured / BCIS calculation and confirm agreement

ATTACHMENTS & APPENDICES

Attachments are as follows:

Invoice No: DPMS068769I01
Copy of Technical Report
Copy of letter to policyholder
Other

Attention is drawn to the following appendices:

Appendix 1: Photographs
Appendix 2: Site Plan
Appendix 3: Value at Risk Calculation

APPENDIX 1: PHOTOGRAPHS



Photograph 1 – Front elevation



Photograph 2 – Rear elevation



Photograph 3 – Cracking on the landing along the party wall



Photograph 4 – Cracking on the landing on the internal wall



Photograph 5 – Cracking in the office – first floor adjacent to the landing

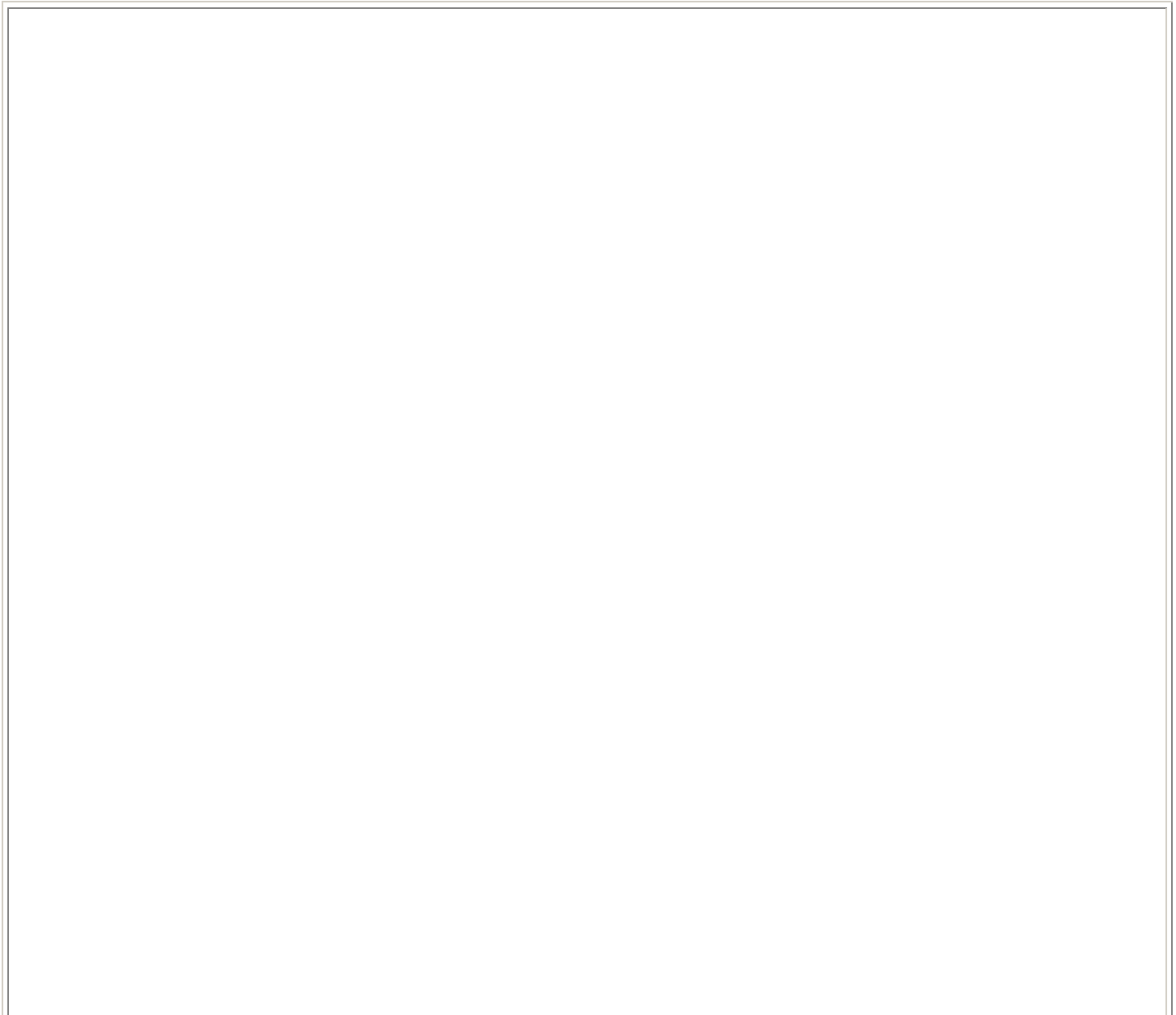










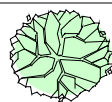







Photograph 6 – Cracking in the kitchen on the party wall



Photograph 7 – Cracking in the kitchen above the rear exit door

APPENDIX 2: SITE PLAN



							
Foul Drain	SW Drain	Foul IC	SW IC	Foul DP Gulley	SW DP Gulley	SVP	Area of Damage
							
Broad leaf tree	Shrubs	Hedge	Conifer	Trial Hole	Borehole	Trial/BH	Level monitoring point

APPENDIX 3: VALUE AT RISK CALCULATION



Reinstatement calculation

Property location

Post code: WF13 4LD

Property details

Type: Terraced 3-storey with 6 bedrooms
 Age: 1840-1919
 Quality: Good
 Floor area: 258m² (Gross external floor area)
 Cellar floor area: 100m²

Price level

Model: January 2020 (329.8)
 Assessment date: 10-Nov-2021
 Adjusted to: October 2021 (373.0)
 Location: Kirkstoes (94; sample 36)

Cost

Basic cost	Variable	Rate	Cost
Model cost	258m ²	x £1,868/m ²	£481,988
Model size adjustment	258m ²	x £95/m ²	£24,433
Cellar cost	100m ²	x £516/m ²	£51,570
Cellar size adjustment	100m ²	x £-96/m ²	£-9,807
Base Model Formula: ((258 - 215) / (177 - 215)) * (1784 - 1868)			
Cellar Formula: ((61 - 45) / (13 - 45)) * (712 - 516)			
Sub total			£548,182

Features and adjustments	Variable	Rate	Adjustment cost
Access to drains	1Nr	£2,880/ea	£2,900
Decking	17m ²	£100/m ²	£1,700
Drains	10m of drains	£150/m	£1,500
Fencing	21m of fencing	£72/m	£1,512
Garage or car port	Detached 6.50m x 5.80m; pitched roof	£25,000	£25,000
Garden walls	6.5m of wall	£500/m	£3,250
Paving	25m ² of paved area	£81/m ²	£2,025
Sub total			£37,887

Total £587,000

