

Floods in Central Europe



As flood waters begin to recede and the clean-up begins, Crawford & Company's adjusters in central Europe have revealed further details of claims across Germany and the Czech Republic.

Ratings agencies have so far placed an approximate market-wide exposure of up to €3bn in Germany alone, with Fitch predicting a total economic loss closer to four times that number.

Both domestic and commercial claims have been notified and we expect their number to increase significantly over the coming weeks. Despite this prediction, volumes particularly in personal lines perhaps do not reflect the severity of the flooding with some regions having only 10% penetration for natural catastrophe insurance.

Nevertheless, homes and businesses have been severely affected with a probable contingent business interruption question to be answered in the event that tourists, who typically flock to these picturesque regions next month and during August, decide to go elsewhere.

Having established on Monday 3 June a catastrophe response team based in Germany to coordinate all activity across central Europe, standby adjusters from around the company's network have been brought in to handle claims. Manfred Garreis; Walter Bartholomes and Jan Henning Evers, have led the core team.

Germany

In the south west of Germany, water levels are receding to reveal the full extent of damage with immense volumes of household effects awaiting disposal in the streets.

We expect an increase in claims notification shortly as the surge puts pressure on insurers' in-house response teams and first notification of loss systems.

Whilst water levels in southern and eastern regions of Germany are slowly falling, those in the north west of the country are gearing up to defend themselves against an approaching deluge. Further rainfall and strong winds in Saxony, particularly in the "Sächsische Schweiz" and "Osterzgebirge" - both picturesque tourist areas - have brought about further land and mud slides.

Numerous hotel and café operators at higher altitude are experiencing losses in revenue due to the lack of tourists as a result of the floods.

Meanwhile, the situation at a power sub-station in Magdeburg remains critical. As of 17 June, a dyke continued to hold back the waters, but if it fails, power supplies will have to be cut off entirely to Magdeburg stopping pumping operations and severely delaying the clean-up.



Spread of claims in Germany

Floods in Central Europe



Czech Republic

In neighbouring Czech Republic, the waters are also receding to reveal how floods severely impacted many industrial risks, across the network of the Danube and its tributaries.

Industries in the north of the Czech Republic are affected where small rivers join with the Labe which becomes the Elbe in Germany.

In certain areas the flooding has the hallmarks of a 1:100 year event and Crawford has received predominantly commercial claims from manufacturing and systems plants.

Our partners, Inservis, in co-operation with Crawford has established a local CAT team of experts, reporting to the German response headquarters, led by Martin Liška, GTS Executive General Adjuster.

Forensic Accountancy support

Meanwhile, local Crawford teams are being supported and supplemented through the strategic deployment of specialist resources as required. For example, a multilingual team of accountants drawn from across Europe is on stand-by to assist as the impact on businesses in the affected areas becomes clearer.

Crawford is working closely with both local and global insurers, brokers and corporates to provide rapid response on all flood claims.

Crawford 24/7 Contact Number

+ 49 700 27293673

Crawford Service Centre

T: +49 (0)211 95 45 6200
crawfordservicecenter@crawco.de

Mark Vos

Head of Global Technical Services
Continental Europe, Middle East & Africa

T: +31 62 1544 344
MarkVos@crawco.nl

Manfred Garreis

Country Manager, Germany
T: +49 (0)211 95 45 6103
M: +49 (0)162 286 1666
manfred.garreis@crawco.de

Ian Hasson

Head of Forensic Accounting
Continental Europe, Middle East & Africa

T: +44 (0) 207 265 4000
M: +49 (0) 173 7642930
ian.hasson@crawco.co.uk

Clive Nicholls

Senior Vice President, Global Markets

T: +44 (0)20 7265 4097
M: +44 (0)7802 591111
clive.nicholls@crawco.co.uk