



Reflecting on the last 12 months in Agriculture Adjusting

Just over a year ago, Storm Arwen, a violent wind storm that unusually came out the North with devastating consequences, particularly in the East of Scotland and North East England. QuestGates Head of Agriculture & Forestry, Frank McGaffney, takes a look back on the challenges farmers have faced during the past 12 months as well as insurance challenges.

The Met Office upgraded Arwen to red status on 25 November which indicates likely risk to life, disruption to travel, energy supplies and widespread damage to property and infrastructure. The storm hit hardest on 26th November 2021, with 3 people tragically losing their lives in the UK, and the aftermath was devastating across large parts of the country. Electricity supplies were cut and thousands of houses, businesses and farms were without power for 11 days.

QuestGates Agriculture & Forestry Division implemented their surge plan with Adjusters on the ground on Saturday 27 November. Driving to farms and estates over the next week proved difficult due to blocked roads. There were many fallen trees; trees are not used to storms from the North and root systems could not cope. Forestry and Land Scotland estimated at least 9,300 hectares of woodland suffered windblow thanks to Arwen.

The impact of Arwen on farmers and estate owners was significant. Farm buildings are positioned for the prevailing westerly winds so a storm from the North caused damage to thousands of farm buildings as well as farm houses and cottages such was the ferocity of the wind. The Met Office recorded their highest wind gust in Northumberland at 98mph, however, there were no weather stations in the worst affected area of Aberdeenshire, where QuestGates received most claims, although there were unconfirmed reports of gusts over 100mph around Fraserburgh harbour.

Able assisted by other divisions within QuestGates, adjusters were working 7 days a week to visit affected farms and estates. Just as claim numbers started to tail off, Scotland was hit by 2 further storms on 29 and 30 January, Malik (named by the Danish Met Office) and Corrie respectively. These storms were from the West but many buildings already damaged in Arwen, were further damaged as well as farms and forestry suffering new storm damage. Just for good measure, Storms Eunice and Franklin in February were also of a velocity to cause structural damage across the UK - an exceptionally busy time for adjusters and possibly the busiest I've experienced in my 30 year adjusting career. New claim intake for our team was up approximately 400% over the period.

Farmers have more than enough challenges, none more so than the weather mother nature throws the UK every year.

A damaged building is bad enough but there are other insurance related and unrelated issues they have to face. The damaged building may house cattle and what should happen to them for the rest of the Winter? There just isn't a ready supply of empty cattle sheds to rent. Grain shed roofs blew off with grain still inside. Would a farmer have considered storm cover for grain in a shed? One farmer I met in December 2021 had just come off the phone and had had to pay over £800/tonne for fertiliser.

Thanks to various other factors, including Brexit and Covid, price inflation was, and is still on the rise. Building materials such as steel and concrete were in short supply and with huge demand to repair storm damaged buildings, prices were pushed up further. Insurers will assess the buildings sum insured at the date of loss or renewal/inception date depending on the cover in place and unfortunately sums insured had in many instances not increased in line with price inflation and underinsurance was an issue on many claims.

With so many damaged buildings over a wide area, the farm building contractors were in high demand and it soon became apparent there weren't enough contractors for the amount of storm damage repairs. Contractors order books were filled very quickly and there was a long lead in time for many jobs to get started.

Depending on the use of building there is a knock on effect for animal housing or grain storage. With many buildings taking longer repair, animals and grain are being kept in a rented building. If the farm business interruption policy has a maximum indemnity period of 12 months, the cover runs out today.

The weather continued to be a challenge for farmers in the UK with many experiencing severe drought in the summer. Crops were dying on their feet and the crop fires were devastating, some spreading to affect farm buildings and houses. QuestGates agriculture division saw an unprecedented number of standing crop fire claims in 2022.

Poultry farmers have not gone unscathed with Avian Influenza outbreaks at record levels and we are still to hit peak AI months. A compulsory housing order is now in place with 121 confirmed cases of HN51 in England since early October. Tens of millions of birds have been culled in the UK. It only takes one dropping from an infected wild bird to wipe out an entire poultry farm. Whilst there is government compensation for unaffected culled birds, this does not cover the losses but there is specialist insurance available to help poultry farmers. In fact QuestGates agriculture adjusters are busy working on these claims now.

It has been quite a year for farmers and agriculture loss adjusters - let's see what's in store this winter. QuestGates has a dedicated specialist team of agriculture adjusters that understand the challenges thrown at the UK's farming community and endeavour to find solutions to insurance challenges to help restore farming businesses.