

# RISCAuthority at work



In this month's column, **Dr Jim Glockling** gives further insight into when he feels the government should intervene on building method selection and provides more information on insurer large-loss fire statistics

**F**OLLOWING THE publication of November's article on business resilience and the impact that building method selection can play in this (*'Who's responsible?'*, *FRM Nov 2013, p46*), I have been asked many times where I think government should intervene in building material and building method specification when considering the potential impact of fire on property (as opposed to life). In answering this, three distinct categories spring to mind:

- public service premises where damaging and distressful interruption can result for those who depend on them on a daily basis – especially the young, weak, old and vulnerable
- premises where the occupier has had no choice in the construction of the building in which they live, but whose safety can be impacted upon by other occupiers of the building
- very large premises where the potential environmental, financial, and infrastructure damage is just too great, where burning-out is not in the public interest, and where fires of this size are outside the scope of normal fire and rescue service capability

In the first case, schools and old people's homes seem like good candidates. Build methods that use combustible structure (such as wood), insulation, and cladding, are known to have higher areas of damage associated with them during a fire. The displacement of the elderly from their familiar surroundings is an experience they may never fully recover from. Similarly, the interruption caused to a child's education in these competitive times may cause long term set-back.

In the second case, I would cite examples such as social housing and prisons. Aside from being potentially a more hazardous environment, an individual's own safety and wellbeing depends very much on factors which are entirely out of their control – they did not choose the building methods or materials, they did not choose their neighbours and they have no jurisdiction over how their neighbours behave or what happens on the other side of the dividing wall, floor or ceiling.

In the final case, I would cite warehousing and large industrial facilities. There is some legislation for sprinklers in place for buildings over 20,000m<sup>2</sup> in size, but this is somewhat pathetic in comparison to our European neighbours where 3,000m<sup>2</sup> is more commonly the threshold. The prosperity of the UK depends upon

its industry; whole communities have been known to go into recession as fire closes down the local dominant employer and the facility re-opens abroad. A recent study on the cost effectiveness of sprinklers in industrial warehousing has shown a strong return for buildings over 2,000m<sup>2</sup>, so surely there is a good case for protecting UK prosperity and the environment by legislating for more protection at areas lower than the current threshold of 20,000m<sup>2</sup>.

In these three cases therefore, rather than relying on informed and sympathetic selections to be made on their behalf by the commissioning authority housing them and employing them (who will no doubt have the usual budgetary pressures placed on them), why not legislate to ensure the safety, quality of life, and continuity in education and employment, of those without choice?

This edition of the *FRM* journal marks the first appearance of the promised insurer large-loss fire statistics. These insurer statistics are collected by the FPA funded via the RISCAuthority scheme. Loss adjusters enter case data into a live website on behalf of insurers which can cater for all insurance interests and co-insurance. The database is accessible to members via the RISCAuthority website ([www.RISCAuthority.co.uk](http://www.RISCAuthority.co.uk)) and case data (made suitably anonymous) may be downloaded to MS Excel spreadsheet for further analysis.

Only fire incidences with a pay-out in excess of £100K are entered, and it is important to appreciate this may be in many cases a lower amount than the true cost of the fire since it misses costs associated with settlements under £100K; deductibles; underinsurance; cash settlement; uninsured elements and exclusions to policy; and motor costs, which together may be very significant. Data is also not captured by and large from non-RISCAuthority members, captive and self-insurers, and from domestic fires.

However, that all said, in a year we do typically collect case data to the value of 50% of ABI's annually reported aggregate fire loss figure which, aside from the £100K threshold, is subject to the same data exclusions as listed above. In this month's issue, data is presented for transport fires – specifically bus and coach station fires. From this point on, a different occupancy category will be featured each week ■

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