

Norwich Union Insurance Index

Norwich Union has developed the **Norwich Union Insurance Index** to help inform and educate homeowners and drivers about ways to protect their property and cars.

The Norwich Union Insurance Index is the first relating to the general insurance industry. To be released twice yearly, it is designed to provide a barometer of insurance claims.

Norwich Union insures more than five million households – whether it be their car, home or both – so we're well-placed to provide answers to a number of questions.

Are people having more motor accidents? Are more policyholders claiming against household theft? And what impact is the weather having on household insurance claims?

We'll also be focusing on some of the quirkier seasonal facts we are able to draw from our claims data - for example, what are the worst days for car accidents? What day of the week and time of day are people most likely to be burgled?

The inaugural Norwich Union Insurance Index is based on an in-depth analysis of our claims data since 2000 – broken into four quarters each year. The data focuses on five key types of claims:

1. Car collision
2. Car theft
3. Household theft
4. Household weather
5. Household fire

And to provide a more in-depth analysis of how the nation is feeling about insurance related issues, each Index will focus on one aspect of our core business. This Index looks at household theft.

Claims Data Summary

Top-line summary of findings based on analysis of Norwich Union household and motor claims data:

- Household theft is one the more stable areas of our business. Since quarter one 2000, the index shows household theft claims have only increased marginally by 2.5 claims per 1,000 policies per year
- Household weather is one of the more erratic areas of our business. Weather claims are clearly seasonal with a very high peak in the last quarter of 2000 following the severe floods and storms in October that year
- Despite traffic volume increasing by 18 per cent in the past ten years*, claims relating to car collisions have reduced slightly
- Car theft has dropped since 2000 – with claims for motor theft at their lowest for ten years

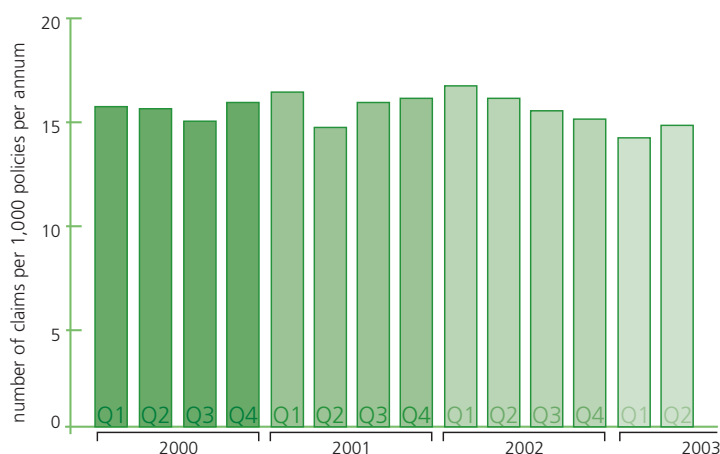
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Claims Data

All graphs and accompanying commentary are based on Norwich Union claims data. Graphs relate to claims for the period January 2000 to end June 2003. Graphs show number of claims per 1,000 policies.

Household theft

- 'Household theft' is made up of claims on contents policies (theft of electrical goods, property etc) and claims on buildings policies (for damage to doors and windows etc due to break-in)
- Household theft is one the more stable areas of our business. Since quarter one 2000, the frequency of household theft claims has ranged from 13.9 to 16.4 whereas household weather has ranged from 4.1 to 63.5
- Household thefts have reduced by five per cent from quarter two 2000 to quarter two 2003
- This claims data shows that there is one household theft claim for every 60 household policies per year
- November 5 (Guy Fawkes' Night) is the worst of the year for household theft – Norwich Union experience a quarter more claims than on an average day
- New Year's Eve is another risky day for household theft, where Norwich Union see an obvious increase in claims

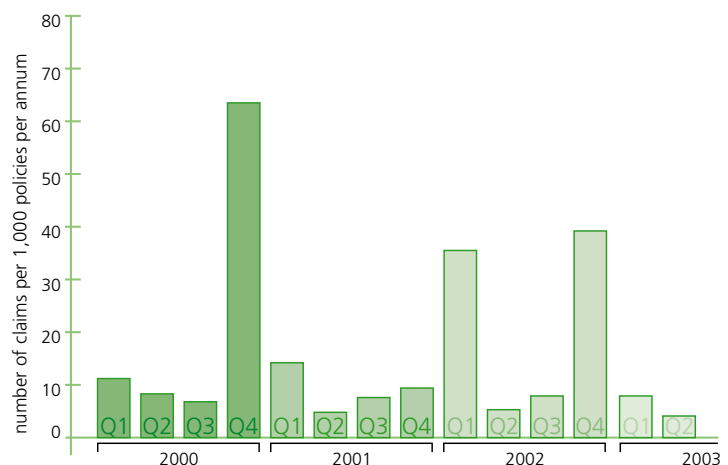


- Christmas Day is clearly the day of the year when we receive least number of theft claims – less than half than on an average day
- Friday and Saturday are the worst days of the week for break-ins. Sunday is the day when there are fewest household theft claims
- Interestingly, there are fewer household theft claims in the summer months, when people are often prone to leaving windows open, than in the winter months

Claims Data

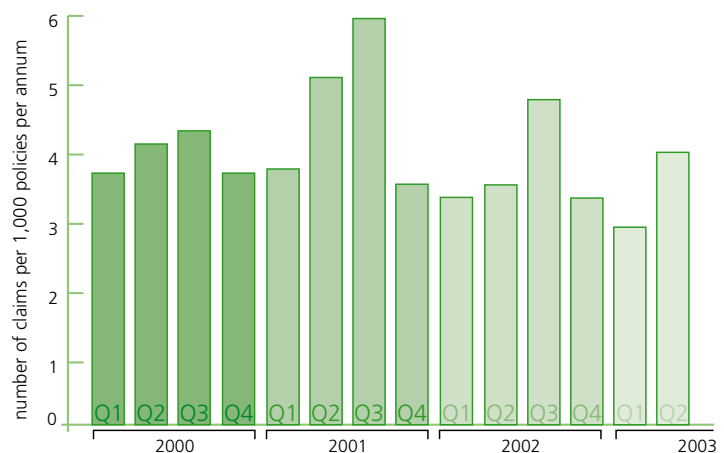
Household Weather

- Obviously, there are more storms and harsher weather conditions in the winter months so claims are naturally up at these times of the year
- On average, about one in 50 household policy holders make a weather claim each year
- On average, storms produce lots of small claims, whereas floods and harsher weather conditions - such as major freezes - produce fewer, but much larger claims
- There was a very high peak in the last quarter of 2000 following the severe floods and storms in October of that year



Household Fire

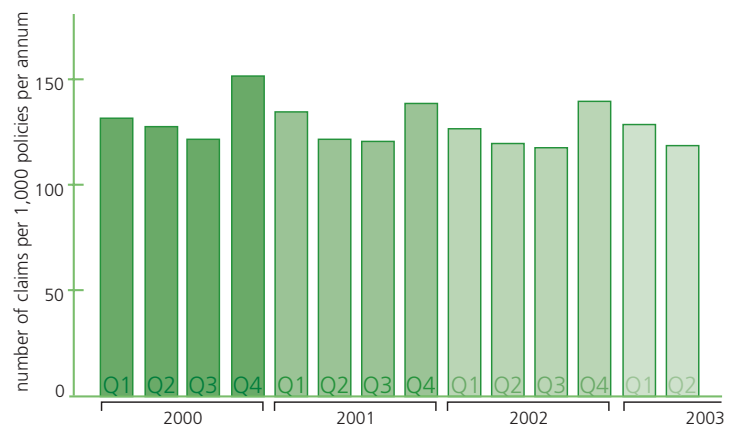
- Like household weather claims, fire claims are also erratic
- Household fire is relatively rare - with roughly one claim in every 250 policies
- Christmas Day is the worst day for household fire – Norwich Union receives more than twice the number of claims than on an average day on December 25 potentially due to cooking and candle accidents
- Guy Fawkes' Day (November 5) is the second worst for fire-related claims – with 50 per cent more claims due to firework accidents
- Weekends are worst for household fire – with Saturday slightly higher than Sunday.



Claims Data

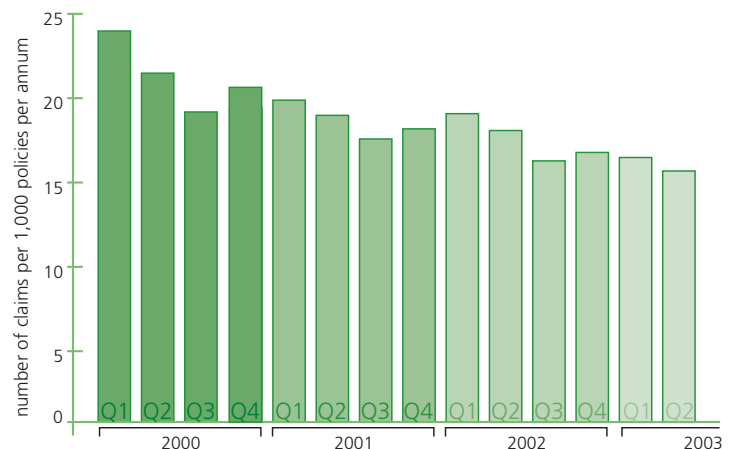
Car Collision

- Despite traffic volume increasing by 18 per cent in the past ten years*, claims relating to car collisions have reduced slightly
- Christmas Day is clearly the best day to be on the UK's deserted roads – Norwich Union has fewer than half the claims of an average day on December 25
- The run-up to Christmas is one of the worst times of the year for motor collisions. Claims are between 30 and 40 per cent up on average months of the year
- Car collisions have reduced by seven per cent from quarter two 2000 to quarter two 2003
- Car collisions are relatively common – each year there is one claim for every eight policies
- Friday is the worst day for car collisions on our roads. The least claims relating to car collision occur on a Sunday
- Not surprisingly, more car collisions occur in winter because of fewer daylight hours and dangerous road conditions



Car theft

- Car theft has dropped since 2000 – with claims for motor theft at their lowest for ten years
- This claims data shows that there is one car stolen for every 60 motor policies per year
- There are more car thefts in the winter months, potentially because of the darker evenings
- Similar to household theft, Christmas Day is the one day of the year when we see a fall in the number of car theft claims
- Friday and Saturday are the worst day for car theft. Fewer cars are stolen on a Sunday than any other day of the week



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Consumers' Perspective

In order to present a comprehensive view of the UK's attitude to household crime, the claims data has been supported by a research study into UK householders' experiences and opinions of residential crime.

Experiences of Burglary

Almost a quarter of people in the UK (22 per cent) have been victims of a burglary. Of these, nearly a third have been burgled more than once.

Residents in Yorkshire and London have been hardest hit with over a third of people experiencing a break-in within these areas. The safest areas in terms of burglary are Scotland and the South East.

Five per cent of people who have been burgled decide to move house as a result of the experience, although this figure increases to 12 per cent for people in the North East.

Regional Burglary Figures

Percentage of residents who have experienced burglary

Area	Percentage
Yorkshire	34
London	34
North East	27
Midlands	23
Wales	22
South West	21
North West	21
East	16
Scotland	14
South East	13

Points of Entry

Nearly half of all break-ins occur through forced entry of the front door. A further 45 per cent take place via a broken window or through a garage.

Interestingly a high proportion of burglars in Scotland (29 per cent) gain access through open windows or doors. This compares to the national figure of just eight per cent.

Security Devices

Window locks are the security devices most commonly employed in UK homes - 87 per cent of household have locks fitted to downstairs windows and accessible upstairs windows.

Three quarters of people have fitted deadlocks or mortice locks to their external doors.

However home security doesn't just stop at door and window locks. It seems some people are resorting to more dramatic measures to ensure their property is secure. Four per cent have a private security patrol and nearly 10 per cent have a home safe installed on their property.

Top household security devices

1. Window locks
2. Deadlocks/mortice locks
3. Security Lighting
4. Front door chain
5. Approved alarm system
6. Safe
7. Alarm connected to security firm
8. Private security patrol

If you've got it, use it

Although 38 per cent of households have alarm systems, nearly a third admit that they don't always activate their alarm when they leave the house.

A further 85 per cent of people don't activate their alarm at night on a regular basis.

The Welsh are the most forgetful when it comes to turning on their alarms - 57 per cent regularly go out without setting it.

Holiday Hints

The majority of householders (72 per cent) are most worried about being burgled whilst they are on holiday or away for the weekend. The top five actions taken to prevent a break-in when a house is unoccupied are:

1. Asking a relative or neighbour to keep on an eye on the property
2. Arrange a house sitter
3. Have post collected and cancel milk and newspapers
4. Activate timer switches on TV and lights
5. Arrange for car to be parked on the driveway

Security slip ups

Despite the fact that over two thirds of residents believe they are more security conscious than five years ago, nearly half keep their back or front door unlocked overnight.

A further 28 per cent do not lock their front door when inside their home.

And nearly half of all householders (48 per cent) leave their keys right by the front door when they close the door behind them.

A high proportion of people from Yorkshire [one in five] actually leave their key in the front door. This poses a large security risk especially if the front door has glass panels or a letterbox.

Methodology and contacts

Norwich Union commissioned Brand & Issues Research to speak to 520 people across the UK about their experiences and views about home security and crime in September 2003.

Media contacts: Charlotte Speedy or Matt Buchanan at QBO Bell Pottinger on 020 7861 2424/Louise Zucchi or Sally Leeman at Norwich Union on 01603 684 506

Home Cover

Our research reveals 90 per cent of UK households have home contents insurance.

Of this number, one in five do not regularly review the value of the contents covered by their policy.

Despite the fact that London is one of the top areas for burglaries in the country, only 75 per cent of homes have contents insurance. This is the lowest figure in the UK.

Fear of Break-ins

Understandably homeowners are most frightened of being physically harmed as a result of a burglary.

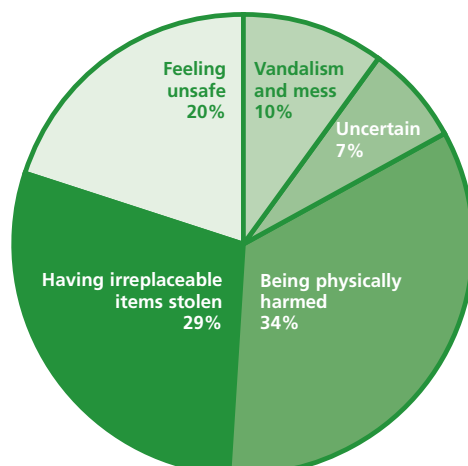
However having irreplaceable possessions stolen, such as photos and jewellery, is considered nearly as disturbing.

Londoners are most frightened of being physically hurt during a burglary.

This reflects the fact that more people from London know of someone who has been attacked in their home during a burglary than any other region.

Scotland is the safest area with just four per cent claiming to know of someone who has been harmed during a break-in.

Householders Fears about Break-ins



*DEFRA 2002