

# Update on the Grenfell Tower fire

14<sup>th</sup> June 2018 - One year after

**PROTECTOR**  
 insurance



## Our DNA

### Vision

The Challenger

### Business Idea

This will happen through unique relationships, best in class decision-making and cost effective solutions

### Main targets

Cost and quality leadership

Profitable growth

Top 3

### Values

Credible

Open

Bold

Committed





# Grenfell Tower – a human tragedy

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*Our thoughts go out to the people who lived in the building, their families and everyone directly or indirectly involved with this terrible event.*

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*To ensure correct settlements to injured parties and minimize the share of payments to legal advisors*

*To learn and prevent similar events from happening again*



# Summary from Protector's perspective

We are in the periphery of this tragic event...

...but how do we follow-up on our main purpose?

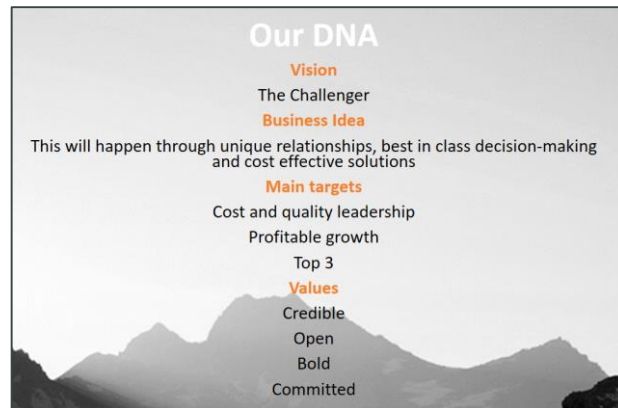


## Ensure correct settlements to injured parties

- Compensating primary and secondary victims without prejudice
  - Loss of contents
  - Probate costs
  - Funerals
  - Rehabilitation program

## Minimize the share of payments to legal advisors

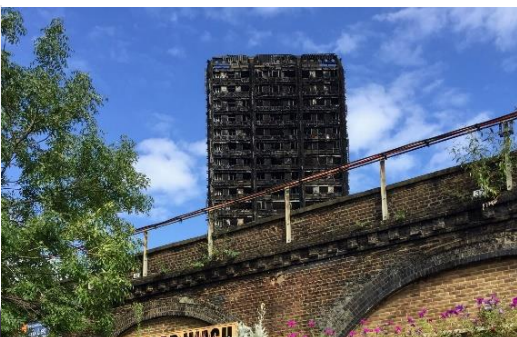
- Compensating primary victims without costly legal processes
  - Trying to establish fair standardized compensations without demands for extensive documentation
- Choose paths that encourage dialogue rather than litigation
- Inviting potential liable parties to dialogue to reduce need for litigation and costly processes



## Learn and prevent similar events from happening again

- Inspected all tower blocks in our portfolio
- Updated UW and evaluation factors
- Developed guidance documentation and new IT solution for clients
- Risk Management Seminar in 2018
- Post GFT Risk Management report, 40 pages, autumn 2018
- Several presentations held in the Nordics and UK





**Kennedys**  
Legal advice in black and white



## Claims handling

- Manage claim and client
- Keep lawyer cost at low level
- Process is key
- Align with reinsurance companies
- Proactive and professional communication to involved parties
- Claim will take many years to settle

## Reinsurance

- Claims handling involvement and support
- Align reinsurance with Risk Management, UW and renewal season
- UK Casualty Reinsurance contract renewal completed, most of the panel still on-board
- Arbitration with Property Reinsurer coming up late October



World leading reinsurance partners



Property Reinsurance & Casualty Reinsurance  
...In total 11 Reinsurance partners

# The four Grenfell Tower projects



## Risk Management/ UW

- RBKC walk-through
- Lesson learned from Grenfell Tower
- UW well done
- New broker and client initiatives incl. inspections
- Grenfell Risk Management report

## Media/Communication

- Reactive and open
  - On the spot and credible
- No media advisor
  - All requests handled internally
- Brokers, Reinsurance companies and «insurance society» updated



All media answered  
All parties informed  
Always



World leading reinsurance partners

Board of Directors



Investor

Oslo Stock Exchange

Insurance POST

THE TIMES  
Insurance Times

BBC

DAILY Mirror

## Inspection examples

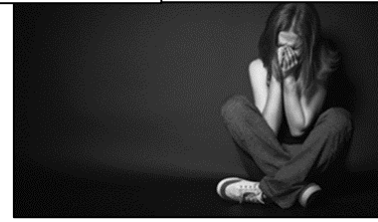


Construction

Cladding

# Claims Handling update

Total insurance reserves still unchanged at £75m



## Property

- The site is yet not released, police investigating still ongoing
- Tower not likely to be reinstated, memorial park in the future
- The estate will be transferred to a legal entity consisting of the bereaved, the survivors and residents in the community
- Protector aim to finalise the process of indemnifying RBKC within 2018

## Liability

- Unprecedented claim, call for unprecedented actions
- Liability is yet not established. However, we are making payments without prejudice
- Paid out loss of contents to the GFT survivors
- Established a rehabilitation program for GFT survivors, 85 referrals so far
- Solicitors have combined close to 600 clients expected to make a claim, majority not from GFT, but walkways

## Recovery

- Potential liable entities (“PDs”) mapped
- Protector will invite “PDs” to a meeting during autumn, inform and establish further process
- Public Inquiry ongoing, expert reports will provide evidence for subrogation
- Protector expects many recovery possibilities
- RBKC will probably have a lot of uninsured losses

# Risk Management and underwriting Post Grenfell

Extensive mapping completed, prioritized actions implemented



## Immediately after Grenfell Tower

- Street view entire tower block exposure
  - All tower block's allocated into risk bands low - high
- First hand inspection and verification of assumed high risk locations
- Start process of updating UW and inspections routine

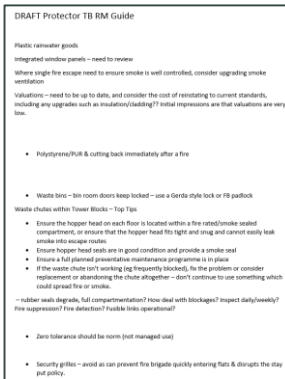


## Following Grenfell Tower

- First hand inspection and verification medium – low risk tower block's on risk
- Updated underwriting process and evaluation factors
- Questions and questionnaires updated
- Tower block benchmark model up and running
- Updated inspection routine in relation to cladding and tower block's
- RM report on Protector tower block's completed

No. Tower Blocks	No. Units	Avg. No. of Units	Total Storeys	Average Storeys	Maximum Storeys	Total Sums Insured	Flagged for Inspection	No. Inspected	% Inspected	% High Inspected	% Med Inspected	% Low Inspected
115	6 087	53	991	9	22	437 999 096	51	31	61 %	100 %	57 %	17 %
131	3 140	24	1 265	10	27	985 729 757	45	23	51 %	100 %	30 %	63 %
26	1 815	70	278	11	13	821 184 454	11	11	100 %	100 %		
184	7 680	42	1 496	8	22	1 360 827 445	48	3	6 %	100 %	0 %	0 %
50	3 215	64	484	10	19	432 765 367	22	0	0 %		0 %	0 %
7	548	78	81	12	17	89 796 697	2	2	100 %	100 %		
7	603	86	119	17	22	61 548 237	5	2	40 %	100 %	0 %	50 %
4	229	57	68	17	17	24 208 910	4	4	100 %	100 %		

We have tagged and classified more than 400 towerblocks in our portfolio and more than 600 from our database – which is growing rapidly



Guidance documentation in development

Electrical installations inspected throughout?	Yes
Gas & heating systems subject to maintenance & inspection?	Yes
<b>Site tour - communal areas</b>	
Emergency Lighting provided in communal areas?	Yes
How many fire escape staircases?	
Is clear evacuation signage present?	Yes
Are floor level signs provided?	No
Are fire evacuation procedures clearly communicated and signposted?	Yes
Fire Action Notices provided on each floor?	No
Waste Chutes present & good seal?	Yes
Are service cupboards and risers adequately fire stopped?	Yes
Were Housekeeping standards good at time of inspection?	No
Is there a refuge?	No
<b>Internal inspection of flats</b>	
Fire Door provided at the entrance? Does it fit well, have auto closer, have protected letter box and 3 hinges, intumescent seal?	No
Type of Automatic Fire Detection	Domestic Hard wired
Are central ventilation/extract systems fitted with dampers?	N/A
Gas supply present?	Yes
Internal Fire Door for lobby or kitchen?	Yes



Time-lapse of the fire spreading across GFT

Simple but effective methods of tracking progress when inspecting implemented



# Risk Management report

40 pages long - to be published after the summer of 2018

The aim is to contribute in reducing the risk of similar events to happen again, by implementing our own actions and sharing with relevant parties.

In addition to providing a chain of events the RM report also contains the following information

- Protector's response
- The government's response
- The council's response
- A broader view on RM initiatives
- Internal routines and lessons learnt
- Future work
- First hand inspections Nordics & the UK



Government response, testing and preliminary results

Other construction types like large panel system buildings is also an area of concern and is covered

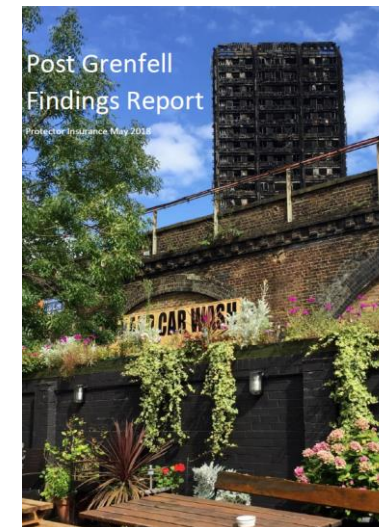


Example from one of our clients removing cladding from a TB



Housekeeping has also been identified as an important area not to be forgotten. Here illustrated by a waste shoot after a fire

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insurance



There are various types of cladding, here we can see a building clad with combustible insulation, with concrete render over



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