



Briefing – flooding and Flood Re

Introduction

Flooding is the greatest environmental threat the UK faces and the risk is rising. When a home is flooded, this can be a very distressing time for homeowners and business owners. Insurers responded swiftly to the 2013/14 winter floods, and will do the same in the event of any flooding in the future.

The establishment of Flood Re reflects the determination and commitment of the insurance industry to do all it can to ensure that flood risk households can continue to access affordable flood insurance.

However, Flood Re is not the solution to the UK's rising flood threat, which requires sustained increases in funding for new and improved flood defences, as well as the maintenance of existing flood defences.

Flood Re

Flood Re – an idea proposed by insurers - is an agreement between the industry and the Government to help the flood insurance element of home insurance to remain available and affordable to homeowners at risk of flooding.

The Water Act, which will allow for the establishment of Flood Re, has now received Royal Assent. The establishment of Flood Re will benefit an estimated 350,000 homeowners across the UK who are at significant flood risk and would otherwise struggle to access affordable flood insurance.

Flood Re is a world first, a complex answer to a difficult challenge, and the industry is working flat out to set it up. Flood Re should be ready for testing in the second half of 2015, and will be open for business from April 2016. Flood Re is rolling out its communication programme with parliamentarians and other stakeholders imminently.

For further information please visit www.floodre.co.uk

The future of flooding and preventing flood risk

Managing flood risk

The need for sustained, ambitious and targeted investment in the building and maintenance of flood defences has never been more important, as our climate is changing and the impacts are being felt with sea levels rising and rainfall events intensifying.

The most effective way to protect communities at risk of flooding from rivers and the sea is with well-maintained defences and an increasing risk of more extreme flooding means there is a greater need than ever for investment in new defences to properly protect our communities. Cuts in maintenance funding that ensures defences work properly undermines their effectiveness in protecting millions of people from flooding.

We welcome the extra investment provided at the last spending review after funding was drastically reduced in 2011. However, in order to adequately address the rising risk of

flooding, current and future UK governments must significantly increase funding to £1 billion per year by 2025 to build new and properly maintain existing flood defences.

Property development in high risk flood areas

Despite existing planning laws, 20,000 new properties are built on flood risk areas each year, including 4,000 a year in areas of significant flood risk^[1]. Development is necessary to meet the demand for housing, commercial operations and infrastructure that a sustainable economic future depends on. However, true sustainable development means not building in areas that are at significant risk of flooding. Doing so simply stores up problems for the future, leads to unexpected costs for homeowners and businesses and more people facing with the prospect of disruption and destruction.

Planning rules must be properly applied by local and regional planning authorities to all developments – irrespective of how large or small - to end inappropriate new developments in areas at risk of flooding. Greater responsibility should also be placed on developers and landowners, with tough sanctions implemented if they breach planning guidance relating to flood risk.

Cross party consensus on long term solutions to manage land and water

The long term goals for government flood risk management are not clear. In order to properly tackle the problem of flooding there is a need to set cross party ambitious long-term goals, to better co-ordinate national and local strategies and consider new solutions that deal with all aspects of flood risk management.

The governments of the UK must consider more aspects than ever before in flood risk management if real solutions can be taken forward that effectively tackle the problem of flooding. Over the long term, flood risk needs to be managed within an overall strategy of managing land and water.

Significant economic, environmental and amenity benefits can be driven from managing water in a more sustainable way. Effective land planning, sustainable drainage, sustainable development and effective flood risk management must be considered together, which requires significantly greater coordination between central UK government departments (the Department for Environment, Food and Rural Affairs and the Department for Communities and Local Government particularly), devolved governments and between central and local government.

The ABI is campaigning to ensure that by 2025, no home is at high flood risk through our Flood Free Homes campaign, supported by Friends of the Earth, National Flood Forum, Know Your Flood Risk Campaign, BRE Centre for Resilience and the Property Care Association's Flood Protection Group. To find out more about the campaign and show your support, please visit www.floodfreehomes.org.uk



^[1] *Six flood defence questions the Autumn Statement should answer*, Committee on Climate Change, December 2014



Association of British Insurers

For more information on Flood Re, please visit <https://www.abi.org.uk/Insurance-and-savings/Topics-and-issues/Flooding/Government-and-insurance-industry-flood-agreement/Flood-Re-explained> or email flood.re@abi.org.uk

For more information on the future of flood prevention please visit <https://www.abi.org.uk/Insurance-and-savings/Topics-and-issues/Flooding>

The Association of British Insurers is the leading trade association for insurers and providers of long term savings. Our 250 members include most household names and specialist providers who contribute £12bn in taxes and manage investments of £1.8trillion.

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