



Flooding and Resilience Workshop

Insurer Perspective

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03 August 2016



The Risk

- Over 5m homes at risk of flooding
- Risk and severity increasing
- ABI figures state last event cost £50k per property on average (£31k in 13/14) with a total cost of £1.3b, just through ABI members
- Other properties not covered by insurance
- Nearly 15,000 flood claims last year
- Floods last year saw the same amount of strip as previous events, not learning
- Unnecessary strip, drying and reinstatement
- Lack of understanding leads to excessive and unnecessary works being carried out and increasing cost
- Products being put back that will not withstand flooding in the future



Flood Re

- Scheme introduced this year for homeowners (properties built before 2009)
- Gives access to affordable insurance for flood
- Means people are getting flood cover for the first time in years
- We are seeing an average £500 reduction in premiums for new customers through Flood Re
- Flood Re is a government backed scheme but funded by policyholders
- The scheme is a reinsurance scheme and set for 25 years
- We need to act differently in our approach to repairing properties
- We cannot get to the end of the 25 years with the housing stock in the same state as we started

The logo for Flood Re is displayed on a dark blue rectangular background. The word "FLOODRE" is written in white, uppercase letters. The "RE" is slightly larger and positioned to the right of "FLOOD". A small, stylized blue wave graphic is located beneath the "E" in "RE".

FLOODRE

Insurers

- As an insurer we aim to identify our customers at risk and attend prior to the flood
- We have an interest in making homes and businesses more resilient
- It could lead to more accessible insurance cover
- Resilience helps us reduce secondary costs, AA, BI cover and so forth
- Insurance is evolving, as homes get smarter through technology we are moving more into the preventative stage rather than claims
- Resilience a form of prevention against the largest, most expensive and becoming more frequent peril



What Changes

- Everybody needs to take responsibility for resilience
- We need to raise awareness but we need to be able to back it up with service and products
- This means we need resilient building products
- These need to be financially viable so that property owners and insurers are encouraged to use them
- How can you help? By helping develop resilient materials at affordable prices
- We need a property stock that is resilient to water damage that can be cleaned, restored and repaired quicker and more efficiently.
- Grant scheme, but will it be available next time?



Thank you

We hope you are feeling inspired.