



Association of British Insurers

FROM ABERCONWY TO YORK, BOSTON TO WINDSOR – ABI HIGHLIGHTS THE SERIOUS FLOOD RISK FACING COMMUNITIES IN ENGLAND AND WALES

The worrying scale of the flood risk faced by communities in political constituencies across England and Wales is revealed today, 31 January 2012 by the ABI. Boston and Skegness in Lincolnshire is the constituency with the most homes at significant risk of flooding followed by the Vale of Clwyd, Folkestone and Hythe, then Windsor. In 92 constituencies there are 1,000 or more homes at high flood risk.

The ABI has analysed the latest Environment Agency flood data against the 573 parliamentary constituencies in England and Wales. This shows that, despite Government pledges to tackle the rising flood threat, thousands of homes and businesses remain at significant flood risk. Significant flood risk is defined as a greater than 1 in 75 chance of flood in any given year.

The findings reinforce ABI's warning that, with the insurance industry's voluntary flood agreement with the Government ending in June 2013, a new sustainable long-term solution needs to be urgently agreed to avoid as many as 200,000 high-risk households facing problems in getting flood insurance after then.

The analysis highlights that the constituencies with the most homes at significant flood risk are:

Boston and Skegness, where 7,550 homes are at significant flood risk

Vale of Clwyd 7,339

Folkestone and Hythe 7,196

Windsor 7,125

Runnymede and Weybridge 6,541

Clwyd West 6,160

Aberconwy 5,500

Nottingham (south) 5,043

Great Yarmouth 4,965

Sittingbourne and Sheppey 4,295

Leeds (central) 4,209

Canterbury 4,199

Otto Thoresen, ABI's Director General, said:

"We are running out of time to make sure that people in high risk areas are properly protected from the devastation flooding can cause and the ball is now in the Government's court. Insurers want to make sure that every home has access to affordable insurance, should the worst happen, and we're concerned that those people most at risk will lose out unless the Government considers a safety net.

"We are frustrated with the progress of our talks with the Government on this issue and want it to look urgently at a model that would allow flood cover to remain widely available and competitively priced. No country in the world has an entirely free market providing universal affordable flood insurance, and action is needed now to avoid 200,000 high-risk homes struggling to afford cover."

The current Flood Insurance Statement of Principles agreement with the Government agreed back in 2000 as a short-term measure ends in June 2013. Until then insurers will continue to offer flood insurance to existing customers including those at high risk (up to a 1 in 75 year flood risk probability). It will not be renewed as it grossly distorts the market as: people in lower risk flood areas pay more to subsidise those at higher risk; customers in high risk areas are tied to their existing insurer, and those insurers covered by it have ended up with a disproportionate number of high flood risk properties.