

Correspondence from the Association of British Insurers – 16 May 2023
Gohebiaeth gan Gymdeithas Yswirwyr Prydain – 16 Mai 2023

Dear Mr Gruffydd,

I'm writing from the Association of British Insurers (ABI) regarding the [debate](#) on the Climate Change, Environment, and Infrastructure Committee Report—'Annual report on the National Infrastructure Commission for Wales—2022-23' which you took part in at the Senedd last week.

We were pleased to see the focus on flooding during this debate. Our sector is cognizant of the impact climate change is having in creating an increase in extreme weather events and insurers and long-term savings providers have long been at the forefront of efforts to better understand and prepare for risks resulting from impacts of the Earth's changing climate.

As a sector, we have long been calling for increased investment in flood defence maintenance and infrastructure spending and have welcomed the funding provided by the Welsh Government to combat flood risk and increase Wales' resilience to climate risk.

Alongside Flood Re, we published '[Modelling the Impact of Spending on Defence Maintenance on Flood Losses](#)' in May 2021 which was carried out by flood risk specialists JBA Risk Management.

The report showed the cost effectiveness of maintaining flood defence infrastructure - for every £1 increase in maintenance spending almost £7 is saved in capital spending on defences. The report also found that increasing current maintenance spending by 50% could extend the lifespan of defences by an average of eight years.

This research showed that the Average Annual Loss which represents the expected cost of flooding on average per year was £12.7m for residential property in Wales and £3.9m for commercial property.

I hope you find this information useful – if you would like to discuss any of these matters further, please do not hesitate to get in touch.

Kind regards,
Callum

Callum Judge
Public Affairs Assistant
Association of British Insurers (ABI)