

P-04-572 Grants for Flood Resilience – Correspondence from the petitioner.
02.03.16

Thank you for giving me the opportunity to respond to the letter from the ABI.

I can only convey to you my personal experiences which I believe are significantly different to the ABI version of the situation as it stands at the moment.

Firstly I entirely agree that flood resistant and resilient measures do reduce the impact that flooding has on properties and potentially reduce the claim amount that is paid out by our insurers. I do not, however, agree that the insurance industry is supportive of these measures at the moment. At my last renewal I specifically asked what difference any flood resilience measures, that I installed in my property, would have on my insurance and the answer was “none.” When our home was being rebuilt after flooding no advice was given to me whatsoever on incorporating resilience measures by the insurance company or their agents; it was all left to me to investigate and implement.

I have just had a quote for household insurance (last week) and was not asked about any property flood protection measures that I had in place, so this seems to contradict the statement that insurers see it as important at this time. I have just tried an online quote from a comparison site and was not asked about any property protection and only 2 companies gave quotes (I suspect neither would cover flooding) 68 would not consider insuring us.

I feel the letter does raise concerns, because of the lack of government grants in Wales, in that if house owners cannot afford individual property protection and the insurance companies do start to take protection measures into account, then the victims of flooding could well be paying a higher premium in Wales than England or even not being able to insure their properties for flood risk.

I have heard the argument before that insurance premiums are a commercial decision. In my experience after flooding I had an increase of premium from £370 to £1550 per year and an increase of excess to £10,000 from £100. Being unable to get insurance anywhere else, I was forced to pay this. My insurance company stated that they thought this to be reasonable. The average increase for the 150 or so homes that flooded in our area at the same time was around £20 to £50. This along with other issues, brings to light in my opinion that there is no effective regulation of the insurance industry.

In summary, I do strongly believe that the flood victims of Wales should have the same access to a “repair and renew grant” as in England to avoid the possibility of creating adverse insurance consequences and, just as importantly, allow us to sleep more comfortably in our own homes after a flooding incident.

Yours Sincerely

C. E. Moore