



Flood; the UK landscape



The increasing risk

Warnings rarely come starker than this

Zurich Insurance has called for urgent action to help communities preparing for the worst, suggesting that the UK is at risk of a “double disaster”, faced with flooding and the COVID-19 pandemic.

Flooding is a consequence of rainfall, which is a function of the rates of evaporation and the ability of the atmosphere to hold evaporated water.

This summer, there has been a warming of the horse latitudes west of Africa and the Caribbean is warmer than usual, hence The National Oceanic and Atmospheric Administration (NOAA) forecasting a more severe hurricane season.

The UK had a mild winter, followed by a very warm spring and our sea temperatures are also warmer than usual. Japan is encountering the same phenomena resulting in deadly flooding.

Crucially, a CO2 rich atmosphere also means two things; more efficient plants, increasing agricultural runoff, resulting in surface water (which can lead to flash

flooding) and; the increased ability of the atmosphere to hold evaporated water.

Globally, all ten of the warmest years on record have occurred since 2005, with the last five being the five hottest. There is debate about climate change, but the sustained arrival of less predictable and more extreme weather is undeniable.

It may feel long ago, but on 16 February 2020, The Environment Agency issued 347 flood alerts, followed by 7 severe flood warnings, presenting a danger to life. Many parts of the UK experienced disastrous flooding, a result of record-breaking rainfall following three successive storms (Ciara, Dennis and Jorge) leading to extensive river flooding.

PERILS, the independent organisation that provide industry-wide catastrophe insurance data, estimate the insured property market loss for the February 2020 UK Floods at £300m. There have been multiple summer floods in recent years – the floods in July 2007 alone are estimated to have cost £3.2 billion.

The European Environment Agency recently published a report ‘Floodplain management: reducing flood risks and restoring healthy ecosystems’, where researchers examined data on floods dating from 1980 to 2010 and found

significant increases in flooding. The study predicted that by 2050, flood losses will have increased fivefold attributed to climate change and increasing value of land around the floodplains, and urban development.

In the UK, there are few, if any perils that cause the macro-devastation flooding can. We do not tend to suffer from significant earthquakes, hurricanes and wildfires. Storms, which often accompany flooding can do significant damage and fires are incredibly destructive to the affected area, but do not tend to spread too far.

Flood is the peril that can devastate entire communities and all the evidence suggests that future UK flooding is not only inevitable, but is likely to occur in the immediate future, causing widespread losses to businesses and households reeling from the Coronavirus pandemic.

Laura McAlpine, Zurich's head of public affairs commented, “Hundreds of thousands of households have been left more vulnerable as a result of the worst public health crisis in a generation. Even relatively minor flooding would place disproportionate strain on people's jobs, finances and mental health. If towns are hit by flooding in the coming months, the impact would be magnified, with particularly severe consequences for the most vulnerable in society.”



Measures being taken

But there is hope.

The UK Government's currently spends £2.6 billion on flood defences in England, and that amount is set to double by 2026 in efforts to improve defences.

In July 2020, the Parts of England prone to flooding are set to benefit from a £170m Government pot of cash to better protect homes, businesses and jobs.

The funding would kick-start natural "shovel-ready" defence projects in 22 at-risk areas, with more than half the funds going to schemes in Yorkshire and Suffolk.

Prime Minister Boris Johnson faced criticism for his handling of flooding during a visit to affected communities in Yorkshire last December. Speaking of the funding, he said it would "protect hundreds of thousands of homes, businesses and livelihoods" across the country.

It includes funding for schemes such as creating sustainable drainage systems - and building hollows in the ground to catch flood water in heavy rain, before storing it to tackle summer droughts.

There will be money for innovative projects such as sustainable drainage systems to provide porous surfaces in new developments to prevent water run-off and to create hollows in the ground to catch flood waters.

It is likely that incentives for farmers to capture water on their land will be included in the Government's coming reform of farm subsidies.

A previous study suggested that these hollows and other nature-friendly solutions such as planting woodlands in river catchments would help with minor flooding events but be overwhelmed by major floods.

Insurers have also been asked to pay to improve flood-hit homes, so they are more resilient. Under new rules, flood victims will in future get insurance money to restore their homes to resist future flood damage by, for example, moving electric points higher up a wall.

Discounted premiums also will come for households that have fitted property flood resilience measures, such as airbrick covers or non-return valves.

The policy allowing building on plains liable to flood will also be reviewed.

Where is the Government's funding going?

Lowestoft, Suffolk - **£43.5m**

Severn Valley - **£35.4m**

Leeds - **£21m**

Sheffield Upper Don Valley and the Upper Don catchment - **£16m**

Hebden Bridge, West Yorkshire - **£12m**

Derby - **£10m**

Team Valley, Gateshead - **£6m**

Lowdham, Nottinghamshire - **£5m**

Benacre and Kessingland, Suffolk - **£3.3m**

Bude, Cornwall - **£2.1m**

Brighton Marina to River Adur, Sussex - **£2m**

Padiham, Lancashire - **£2m**

Caton Road, Lancaster - **£1.4m**

Hexham, Northumberland - **£1m**

Peak District - **£960,000**

East Cowes, Isle of Wight - **£500,000**

Falmouth, Cornwall - **£500,000**

Penketh and Whittle Brooks, Warrington - **£480,000**

Ponteland, Northumberland - **£450,000**

Please see the next page for more information of Government Grants available.



Government grants available

On 19th November 2019, The UK Government announced that flood-hit homes and businesses will be able to receive up to £5,000 to help protect them from future flooding.

The grants, open to homes and businesses that have been seriously affected by flooding, will be made available through local authorities will help homes and businesses to become more resilient to flooding by helping to pay for a range of property improvements. The funding will go towards the additional costs of installing fittings and materials that increase resistance to damage from water in the future, such as putting in flood doors and stillage, e.g. raising electrics off ground level.

This additional support for homes and businesses comes on top of [grants worth up to £25,000](#) which will be made available to flood-hit farmers in northern England.



On Friday, 8 November 2019, the Government also activated the emergency [Bellwin scheme](#). Under the scheme, local authorities dealing with the flooding can apply to have 100% of their eligible costs, above a threshold, reimbursed by the Government. Further support for homes and businesses was also announced on 15 November through immediate [council tax and business rate relief](#) for affected homes and businesses.

On 12 November 2019, the Government also opened a Community Recovery Grant to support local councils with their efforts to get households on their feet, and a Business Recovery Grant for eligible small and medium-sized businesses.

For more information please click [here](#)



Flood Re Insurance

Flood Re is a joint initiative between the UK Government and certain insurers to make the flood cover part of household insurance policies more affordable. It is available to qualifying UK householders and owner used holiday homes but is not available for commercial premises or properties rented out to non-immediate family.

Every insurer that offers home insurance in the UK must pay into the Flood Re Scheme. This Levy raises £180m every year and works with insurers behind the scenes.

When you buy home insurance in the usual way, your insurer can choose to pass the flood risk element of your policy to us for a fixed price. If you make a valid claim for flooding, your insurer will pay the claim and be reimbursed from the fund.

For more information or to find out if you qualify please speak with us or visit www.floodre.co.uk



FLOODRE



BIBA
British Insurance
Brokers Association

BIBA approved commercial scheme via R&Q Commercial Risk Services Ltd



The purpose of the scheme is to provide comprehensive cover at highly competitive terms from secure 'A'-rated Lloyd's capacity. The proposition also includes an 'Excess-Buy-Back' facility, where, because of the nature of the risk a higher flood excess applies, for an additional premium you can cover your policy excess.

The facility caters for business and property owners (it is not available for private households) who have difficulty in purchasing cover for damage caused by flood. This could be clients who have either suffered previous flood damage, are located in areas of high potential flood risk or who have had flood terms imposed.

The scheme has three specific contracts;

- Commercial Combined for manufacturing and distribution trades
- Package policies for retail, offices & surgery
- Property Owners cover for real estate investors

Each has wordings that include loss damage and liabilities that you would expect from a comprehensive commercial policy. Where the property or the liability risk is outside of underwriting footprint, flood cover may be provided in isolation on selected cases.

Key benefits include:-

- Simple easy to access quotation process;
- Clear and concise policy documentation
- Risk assessment using state of the art mapping technology from Landmark;
- Recognition of flood resilience and resistance measures in pricing and terms;
- Availability of an optional additional policy covering high flood excesses; and
- The potential to consider resilient repairs as part of claims solution;
- 24 hour / 365 day property claims notification line

For more information please speak with us or visit <http://www.rqcrs.com/biba-scheme/>



FloodFlash Insurance

FloodFlash offer a rapid-pay-out flood cover through an alternative model, known as parametric insurance.

FloodFlash is extremely flexible and the payment can be used in any way you like; to repair the premises, rent an alternative location, replace stock or to fill in an excess, top up your limits, or as a bolt if your main insurance excludes flood.

You select your trigger depths and pay-out values to get an instant quote. If agreeable, their engineers visit and install a mobile-connected sensor.

In the event of a loss, the sensor confirms the chosen trigger depth has been reached, the claim is automatically initiated, and upon approval the payment is made, usually within seven days.

There are no restrictions on how you use the cash: cover property damage, business interruption, stock etc.



FloodFlash policies are for businesses, including businesses trading from home and landlords or property owners, where the property is owned through a company. Policies are available anywhere in the UK, excluding Northern Ireland.

Even if you have had previous flood incidents or claims, FloodFlash provide quotes in 99% of cases, regardless of flood history.

The standard maximum limit is £5million, however higher limits can be purchased on referral.

For more information please speak with us or visit floodflash.com



FloodFlash



Flood Excess Insurance

Households and Businesses in areas deemed to be at high risk often carry higher excesses. For some households, the excess can be as high as £15,000 and for businesses it can be much higher.

Flood Excess Insurance is an insurance policy available to homeowners, landlords or businesses that has been designed to offer policyholders the ability to insure the excess.

You should be able to purchase a Flood Excess Insurance policy provided the property covered has not flooded more than once in the last 5 years and can usually obtain cover for properties that have suffered two floods in the last 5 years, subject to referral. You can insure your excess up to a maximum of £100,000.

If the worst should happen, and your insurer accepts a claim Flood Excess Insurance will cover the excess amount and be paid directly to your insurer.



As an infill policy, if your claim falls below the level of your policy's flood excess, the cost of the claim can be covered by the Flood Excess Insurance policy.

The policy is arranged with the limit of indemnity on an

aggregate basis, so if the policy cover is used for a claim, it will need to be re-purchased.

For more information please speak with us or visit

floodexcess.com



flood excess[™]
insurance



Post-loss Recovery with Towergate Assist

If disaster strikes, a quick and effective response is vital.

Large losses can be complex and need assistance from expert to help ensure that the entire process is handled quickly, fairly and without additional stress.

In the event of a loss your Insurers will instruct a Loss adjuster; who will work on their behalf. Towergate Assist is an insurance policy that covers the costs of an independent loss adjuster to help with the preparation, negotiation and settlement of your material damage and business interruption claims (excluding Subsidence and notifiable disease related claims).

Towergate Assist is available to homeowners, landlords or businesses and is accessible 24 hours/365 days a year, providing telephone advice and assistance for all claims and a personal visit on all major losses.

For more information please speak with us or visit www.towergate.com/additional-services/post-loss-recovery



Where the claim is over £5,000 or your policy excess (whichever is greater), Towergate Assist will;

- Provide a dedicated loss adjuster who will personally visit you within 24 hours of your notification
- Arrange alternative accommodation or temporary premises and equipment as necessary
- Supply loss mitigation equipment and machinery where available, i.e. pumps, dehumidifiers, fans, carpet dryers, heaters, damp meters, etc.
- Prepare a fully valued inventory for all correspondence with Insurers
- Co-ordinate builders, surveyors, decorators etc. as required
- Work in conjunction with your accountants to formulate a loss of profit or loss of rent claim
- Arrange interim payments from insurers where necessary
- Negotiate the best possible settlement to which you are entitled





Pre-loss prevention and protection

Time and tide wait for no one, so there's no time like the present to ensure you've taken the necessary precautions to protect your property against flooding.

Are you at risk?

The first thing you need to do is find out if your location is prone to flooding;

- Has the site been flooded before?
- Are there flood warnings for your area?
- Are you situated in a low-lying area or on a known floodplain?
- Are there surface water drains and ditches close by?
- Are you situated near streams, rivers or open bodies of water such as reservoirs and lakes?
- Does your property have a cellar or basement that might be affected by surface water ingress or flooding?

If any of your answers are 'Yes' it's time you considered taking some precautions.

Check <https://flood-warning-information.service.gov.uk/long-term-flood-risk> to get a better understanding of whether you may be flood-prone. The resources include surface water, sea and river flooding maps.

Take steps now to reduce the risk.

- Elevate critical stock and equipment by storing it on purpose-built metal shelving that has been secured to the ground or relocate to an upper level
- Ensure fuel storage tanks are securely fastened or anchored to reduce potential pollution or damage in case of flooding
- Consider raising power sockets, phone connections, servers and cabinets to a higher point such as 1 metre or above expected water levels
- Inspect drainage systems at least once a year and regularly check the building for structural defects through which water could enter and seal them
- Consider moving any stock kept in open yards to better shelter; and higher ground, wherever possible
- Secure any immovable critical plant operations located in the basement against water ingress
- Consider installing or upgrading to water-resistant furnishings, fixtures and fittings, especially floor and wall coverings
- Consider investing in flood protection devices such as airbrick covers, non-return valves for drains and waste pipes, and demountable barriers

Create a Flood Emergency Response Plan (FERP) and subscribe to flood alert warnings such as the Environment Agency scheme.

Preventative measures you can take if warned a flood is on the way;

- If safe to do so turn off water, electricity and gas supplies at the mains (and check that any alarm system is still in operation)
- Move contents, machinery, and stock to upper levels if you have time and can do so safely
- Close off oil tank and gas tank flow valves
- Disconnect all of your electrical items from their power sockets and store them higher up on secured shelves – or move them to an upper level.
- Relocate any property left exposed to the elements in open fields to a place of shelter, or elevation, if at all possible and if safe to do so
- Wrap up and store food items in a safe place as a temporary measure.
- Move vehicles and trailers to higher ground (a car can float in just 2 feet of water)



Post-loss prevention and protection

You should also have a response plan in place should your property be flooded, despite your best efforts.

Plan for the worst - an emergency flood kit will help - some items to consider, ensuring they are waterproofed;

- A mobile phone and fully charged portable charger
- Torch
- Batteries
- Rubber gloves
- Warm and waterproof clothing including Wellington boots
- First aid kit
- Wind-up radio
- Food and drinking water
- Critical documents, insurance policy details and emergency phone numbers;
- Move vehicles and trailers to higher ground (a car can float in just 2 feet of water)

Coping with the aftermath - what to do once the damage has been done;

- Contact your insurance brokers and/or insurance company as soon as possible to report the incident and to receive expert advice about next steps.
- If possible, pump out as much of the standing water as possible
- Switch off power and gas at the mains if safe to do so and never use the gas or electrical supply until a qualified person checks and tells you it is safe
- Open all the windows and doors to properly ventilate the affected area
- Remove any covers on airbricks to enable any trapped water to escape and air to circulate
- If your water is reconnected and safe, run the taps for several minutes to flush any dirt out of the system that may have accumulated during the flood
- If afterwards you are still unsure about the quality or safety of your water supply, contact your water supplier urgently
- Clean and disinfect the affected area and items to remove any dirt, bacteria and germs
- Where possible, photos of the damage to any contents and/or buildings as record to assist your claim
- If making an insurance claim, it's important not to dispose of any damaged, spoiled or broken items until you are told to do so



Flood; the UK landscape, written by **Mark Brannon, Commercial Director at Towergate Insurance Brokers**. Please read more about Mark below.

“With over 15 years industry experience and Commercial Director since 2017, Mark has overall responsibility for proposition and client service delivery. With a remit including claims, insurer relationships, marketing and communications, and risk management, key parts of the role include addressing challenges clients face such as the potential for underinsurance and uninsured risks, responding to change and anticipating future client needs.”

If you're interested in reading other pieces in Mark's series, [please click here](#).
For more information, please contact your usual **Towergate Insurance Brokers** advisor.

Thanks and acknowledgements - Nick Hobbs - Allianz UK, Flood Re, FloodFlash, Flood Excess Insurance, R&Q CRS, Lorega

Sources – <https://www.perils.org/>, HYPERLINK “<http://www.zurich.co.uk>” www.zurich.co.uk, <http://floodlist.com/>, <https://www.noaa.gov/>, <https://www.ceh.ac.uk/>, <https://www.gov.uk/government/news/government-announces-grants-to-help-protect-properties-from-flooding>, <https://flood-warning-information.service.gov.uk/long-term-flood-risk>

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