

Co-Ordination of Flood Response

CII NEW GENERATION PROGRAMME
CLAIMS GROUP 2014

18 MAY 2015

CII New Generation Programme

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1 Foreword by Mary Dhonau OBE HonRICS



Having suffered first hand from the effects of being flooded on several occasions, I know only too well what an appalling experience it is! Being a victim of floodwater ravaging your home has heart breaking and long-term consequences for everyone concerned.

The first bleak walk back to your flooded home is so hard to comprehend, if you've not been through it yourself; everything is covered with a thick brown sludge, your furniture is sodden and your home stinks... Then you have to watch helplessly as

everything you have worked so hard for is thrown into a skip. That is difficult enough, but even more devastating is losing precious sentimental items – such as children's first drawings or photos of relatives who are no longer with us. Your home becomes a building site, and you have to take on the job of 'project manager' for the repair – which involves great numbers of phone calls and emails – but, at the same time, trying to lead a normal daily life as well. Since I was first flooded back in the 1990s, I have supported many people who have been through the same appalling experience and each person has had a devastating story to tell me. We've all got things going on in our lives that can cause stress and anxiety and being flooded can compound this – often pushing people to their very limits.

Making an insurance claim is a very baffling and stressful experience for so many people. People are not necessarily given a 'handbook' on how to manage an insurance claim and what to expect from the process, or how long it will take. I have been told by some people that they live in dread of being flooded again, as they fear having to deal with the often frustrating complexities of making an insurance claim more than they do the floodwater itself!

I have spent a good deal of my time encouraging the insurance industry of the need to improve the service it gives to the victims of flooding, and I therefore commend the findings and recommendations of this report. It is of paramount importance that insurance professionals improve the 'customer experience', treating each individual as a person (not a 'claim') and remembering that they are dealing with homes (not mere 'buildings').

I believe the insurance industry should work in partnership with all those who manage flood risk. Together we can raise awareness of flood risk, and promote what individuals can do to protect their homes, both in the planning and preparation stages. Further, we can work towards a seamless handover from all those involved in managing the event to the insurance professionals. The report contains a lot of common sense and best practice and I hope it is acted upon!

I look forward to working with all those concerned with the implementation of all the recommendations.

Mary Dhonau OBE HonRICS

Chartered Insurance Institute 'Voice of the Customer' Award winner 2015

2 Foreword by Tom Woolgrove

Flooding is one of the most traumatic perils to affect households and communities. As well as the significant physical damage flooding causes, it can disrupt family life and cause long term emotional trauma. It has become an area of intense political interest, affecting many constituents across the country.

Flooded properties can take many months to dry out, with further months of rebuilding, often with families living in alternative accommodation while it is completed.

Flooding often affects whole communities, with access to properties dependent on flood waters receding and requiring coordination between many agencies. Competing insurers provide restitution to neighbouring properties, leading to inevitable comparisons between insurers' service standards. Social media enables this comparison to be widely shared, affecting the collective reputation of the industry.

The last few years have seen many flooding events, and insurers' overall responses have been positive. However, there is clearly scope for further improvement and learning lessons from previous events and best practice.

With climate change increasing the likelihood and severity of severe weather events, flooding is also a peril that is going to have an increasing impact on UK insurers and policyholders alike.

The CII's New Generation Programme represents a great opportunity for our profession's future leaders to work with peers on important policy issues. A key competency of future leaders is the need to shape the future policy agenda and thereby continue to enhance the reputation of our profession.

This Claims group report on flooding is a helpful contribution to this important policy area, providing insights and practical recommendations drawn from a wide range of stakeholders. Pre-event planning, coordination and better communication is clearly critical to improving response after a flood, ultimately delivering better customer outcomes.



Tom Woolgrove

CII President, 2013 – 2014

3 Executive Summary

3.1 Aim

This report analyses the interactions between stakeholders following a flood. We aim to show how these interactions could be enhanced to improve the experience of home insurance customers when affected by flooding.

We have chosen to investigate this topic because previous studies of the response to flooding have not fully addressed how the stakeholders involved could work better together in the on-the-ground response. We also observed during the floods of the winter of 2013-14 that there were misconceptions about who was responsible for different aspects of the recovery. This had a negative impact on the victims of flood – in many cases our customers.

3.2 Stakeholder Interactions

We have focused on three key stakeholder interactions which we feel require enhancement in order to improve the customer experience:

- The insurance industry and customers;
- The insurance industry and government; and
- Insurers and their service providers.

To understand these interactions and identify possible improvements, we have interviewed and reviewed documentation from the stakeholders. We have involved as wide a range of stakeholders as possible in our research in order to establish a balanced view as to what the key issues are and how improvements can be made to the process for the benefit of all.

Although we have focused on the on-the-ground response, it has been evident from our research that better pre-event communication and planning is critical in making the subsequent response to flooding as effective as possible.

We have also considered how, when responding to flood events, we can help to reduce the likelihood and impact of future incidents.

3.3 Recommendations

We conclude the report with our recommendations for future action. Our high level recommendations are mainly for insurers and the ABI:

- Enhance customer education;
- Improve our communication strategies to reach the target audience;
- Engage in pre-planning with a broader range of stakeholders;
- Assist customers with deploying flood resilience measures and drive activity to reduce flood risk by taking account of flood resilience measures when rating policies.

4 Project Overview

4.1 Project Aim

The aim of this project is to improve the customer experience for home insurance customers by identifying enhancements to the multi-agency, on-the-ground response to flooding.

Our project seeks to analyse the interactions between the various agencies and stakeholders involved in the response to flooding and to make useful and realistic recommendations to improve the process.

4.2 Methodology

We began our research by reviewing the recommendations for insurers made in the Pitt Review, which was carried-out after the floods of 2007, to confirm the industry has fully implemented the lessons learned. We also reviewed the international response to floods to see what comparisons can be made with the UK.

To gather information on stakeholder interactions in the response to flooding, we identified the key stakeholders and devised interview questions allowing us to consult each stakeholder in a consistent manner. We contacted stakeholders in the following groups:

- Customers directly affected by floods
- Charities and support groups
- Insurers and insurance industry bodies
- The British Damage Management Association (BDMA), Suppliers and Disaster Recovery Companies
- Local and central government
- Rescue services
- Loss adjusters and surveyors

Once the initial round of research had been completed, we analysed the information and conducted specific further research with the most forthcoming stakeholders.

4.3 Context

4.3.1 Frequency and severity of flooding

Flooding continues to attract considerable insurance industry interest. On consideration of the statistics that is no surprise:

- One in six homes in England is at risk of flooding (DEFRA, 2014);
- December 2013 to January 2014 was the most exceptional period of winter rainfall in at least 248 years (Met Office, 2014);
- According to the Environment Agency, at present 2.3 million homes and 185,000 businesses are at risk of flooding in England and Wales representing property, land and assets to the value of over £200 billion (DEFRA, 2014)

Losses from worldwide flood events nearly doubled in the 10 years from 2000 to 2009 compared with the prior decade (DEFRA, 2014). It is expected that these losses will continue, as climate change increases the frequency of coastal floods, and population growth combined with urban and economic developments increases the potential financial impact associated with the risks.

Flooding will continue to affect UK home insurance customers. What the insurance industry can do is work to ensure that customers are affected as little as possible and receive fast, high quality assistance if flooded.

4.3.2 International perspective

What we have learnt from researching the international context is the importance of mitigating flood risk and preparing for floods, rather than simply focusing on the recovery efforts. Despite this, in the developed world the bulk of resources are diverted towards helping communities recover after a flood, rather than enhancing flood resilience to reduce disruption in the first place.

The situation is even more severe in the developing world where over the past two decades, nearly 87% of spending on aid went into emergency response, reconstruction and rehabilitation with only 13% put towards mitigation of risk (Zurich, 2014).

The benefits of flood resilience can be best demonstrated by considering storm “Xaver”, which hit Europe in December 2013. This was the worst event since 1953, leaving 1 in 6 properties at risk (Zurich, 2014). In the UK, more than 10,000 people had to be evacuated and around 1,400 properties were flooded. Power outages affected over 500,000 properties across Europe.

One positive observation was that 800,000 properties in England at risk of flooding in this event were protected by the 2,800 km of coastal flood defences. It is estimated that for every £1 invested in flood protection, £6-£10 of losses were avoided.

In the United States 15% of federal flood funding is allocated for ‘betterment’ aimed at making property more resilient for future events.

A common theme globally is that governments have the most important role to play in terms of preparation. This ranges from making flood maps available to the public; sharing information on what to do in before, during and after a flood; and of course coordinating the efforts of all parties involved. However, experience shows that collaboration between insurers, government authorities and other key stakeholders is crucial when it comes to encouraging risk reduction in both the public and private sectors (Amendola et al, 2013).

4.3.3 The Pitt Review

The Pitt Review (Pitt, 2008) is a comprehensive review of the lessons to be learned from the flooding in England of June and July 2007. It was commissioned by the government and the independent chairman was Sir Michael Pitt, who submitted the final report in June 2008.

The Pitt Review made four recommendations which the insurance industry was responsible or partly responsible for delivering (Table 1). The recommendations were for actions and enhancements to ensure public awareness of the importance and availability of home insurance covering flood, and how to mitigate flood risk and damage.

Since an important element of the present day response to flooding is the adoption of lessons previously learnt, we have reviewed the implementation of these recommendations and believe that updates are required.

Table 1- Pitt Review Recommendations (Pitt, 2008)

Rec. No.	Final Recommendations	Delivery Timetable	Lead Organisation	Supporting Organisations	Official Status
29	The Government and the insurance industry should work together to deliver a public education programme setting out the benefits of insurance in the context of flooding	In place by June 2009	HM Treasury	Defra and ABI	Implemented
30	The Government should review and update the guidance <i>Insurance for All: A Good Practice Guide for Providers of Social Housing</i> and disseminate it effectively to support the creation of insurance with rent schemes for low income households.	In place by June 2009	HM Treasury	ABI, Office for Tenants and Social Landlords	Implemented – ongoing work continuing.
31	In flood risk areas, insurance notices should include information on flood risk and the simple steps that can be taken to mitigate the effects	In place by end 2008	ABI	Insurance industry and Environment Agency	Implemented
32	The insurance industry should develop and implement industry guidance for flooding events, covering reasonable expectations of the performance of insurers and reasonable actions by customers	Beginning immediately	Insurance industry	-	Implemented

In fulfilment of recommendation 29, the ABI set-up an Access to Insurance Working Group with the objective of improving social housing tenants' access to contents insurance. A dedicated website was created addressing access to insurance and a guide produced for housing officers (ABI, 2010) on the importance of contents insurance for tenants and how to promote its take-up.

The ABI also provides considerable web content relating to flood insurance and provides advice to consumers (ABI, 2014). A link is provided to the National Flood Forum website where further support is provided for customers struggling to access flood insurance.

Recommendation 30 referred to encouraging the uptake of 'insurance with rent' schemes for low income households. The 'My Home Contents Insurance' product continues to be offered and promoted through the National Housing Federation in this regard (Thistle/ National Housing Association, 2014).

It was noted in the government's Final Progress Report in response to the Pitt Review (DEFRA, 2012) that HM Treasury, DEFRA and the Department for Communities and Local Government would also

"...consider the case for further action in this area with insurers..."

We are unaware of any further developments in this regard.

Recommendation 31 stated that insurance documents for customers in flood risk areas should include information on flood risk and the mitigation of the effects of flooding. We have confirmed that some insurers do supply such a guide with policy documentation but the practice is not universal. Other insurers make information available on their website, and others do not provide guidance. The ABI provides brief guidance on its own website (ABI, 2014). It should also be noted that the BDMA has a wealth of documentation available to purchase or download free of charge. Orders can be secured in bulk and some of the material can be issued to customers (BDMA). This includes a Self Help Sheet for victims, Understanding Basic Flood Recovery Procedures and Keeping a Record of Flood Recovery Activity.

Finally, recommendation 32 resulted in the production by the ABI of comprehensive information for policyholders on what to expect following a flood and how their insurer will help. This guidance remains easily accessible from the ABI website (ABI, 2014) but insurers could better provide this information directly to affected customers or through their own websites.

Feedback received from customers and discussed elsewhere in this report indicates that many consumers find the response to flooding confusing and are surprised at the length of time taken to restore their property. This is disappointing considering the wealth of information available and may indicate it is not reaching the intended audience.

4.3.4 Development in insurers' approach since 2007

Beyond the adoption of the Pitt Review recommendations, further developments in the industry's response to flooding could be seen during the 2013-14 flood events when compared to 2007. Our stakeholders have indicated these include:

- All major property insurers possessing an incident response plan;
- Adoption of lessons learnt regarding customer outcomes in the 2007 floods;
- Better understanding of alternative accommodation resources;
- Improvements in technology such as drying equipment;
- Adaptation to social media and enhanced customer engagement;
- Strengthening of the link between the ABI, DEFRA and the Environment Agency.

Evidence of these changes can be found in the reduced level of negative media coverage following the 2013-14 floods. It is against this positive background that we look, in this report, for further enhancements.

4.3.5 Flood Re and other significant developments

The response to flood is continually evolving and therefore, in order that our research can be seen in context, there is a need to briefly note some of the most recent developments and consider their impact.

4.3.6 Flood Re

In June 2013 an outline agreement between the Government and the UK insurance industry was reached in respect of Flood Re. This is a not-for-profit scheme permitting insurers to divest to the pool the flood risk on home insurance policies if they are unable to cover that risk themselves. Premiums will be at a set price based on the property value. The pool will be funded by a levy on all home insurance premiums.

Flood Re is being established to ensure that those domestic properties which are at the highest risk of flooding can receive affordable insurance cover against flood. The scheme has been implemented through the Water Act 2014 which received Royal Assent in May 2014. At present the Government and the ABI are working to make Flood Re ready for testing in the second half of 2015, and it will be open for business once this has been successfully completed.

As Flood Re will have no involvement in the direct settlement of claims with the customer, we have not covered its involvement in detail in this report. However, given the funds it will manage, it will have a natural vested interest in ensuring the multi-agency response works efficiently.

We also believe Flood Re will acquire knowledge and influence which could be deployed in enhancing the response to flood.

4.3.7 British Standard BS12999

The British Damage Management Association (Davison, 2014) has advised that it is currently chairing a BSI committee to develop a British Standard which will be of relevance to the flood response. This will be titled BS12999 Damage Management – Stabilisation, Mitigation and Restoration of Properties, Contents, Facilities and Assets following Incident Damage.

This standard may assist with identifying further improvements to the response to flood insurance claims beyond what is covered in this report, and could in turn be used to streamline claims procedures and protocols.

4.3.8 Flooding equipment

In our research, we have noted there are continuing technological advances in equipment to prevent and recover from flooding, especially drying equipment. There are still further improvements that could be made to ensure it is more efficient and cost effective when dealing with floods.

The use of sandbags as a protective measure in a flood is common practice; however our research highlighted several issues with the use of sandbags including:

- Deployment of sandbags is time consuming and it takes time to provide them to victims;
- Disposal of bags is an issue since they are heavy once used and cannot be re-used;
- Sandbags are susceptible to sewage contamination, creating health risks.

Various stakeholders have researched newer measures for the temporary defence of a property which are easy to install, reusable and more cost effective than sandbags. Some of these options are aimed at creating larger barriers while others are kits for individual homes.

One manufacturer has designed an emergency flood response kit that needs no permanent fixtures on the property so it can be installed quickly and by the householder, council or housing association. They would like to see a British Standard covering flood protection devices with a high enough standard to ensure that:

- The customer is confident to purchase; and
- The insurance industry accepts that rated devices would reduce the flood risk of a property in the same way Thatcham ratings are used by motor insurers.

We take up this point in section 6.2.3 below. However, flood consultant Mary Dhonau notes that products bearing the BSI Kitemark/PAS118 have proved effective and this may negate the need for additional complexity in terms of standards.

It is important that the insurance industry stays up to date with technological advances as they can help to mitigate losses and reduce claim lifecycles in the event of flood.

4.4 Stakeholder Interactions

4.4.1 Approach

Our research involved identifying all key stakeholders in the on-the-ground response to flood and gathering views from them on their interactions with each other. This included views on roles and responsibilities, methods and ease of communication, ideas on what worked well and what did not, problems encountered and suggestions for improvements.

Some stakeholders were more forthcoming than others and many of our enquiries have gone unanswered. However we engaged in extended dialogue with a range of stakeholders who were helpful and insightful in their comments. It was evident, though, that the majority of organisations with whom we spoke had no member of staff who was specifically responsible for issues related to flooding.

In addition to our stakeholder interviews and discussions, we researched various documentary sources including the information available on the internet for customers and household policy documents as well as information requested by insurers at the quotation stage.

From our analysis of the findings we have identified three key stakeholder relationships which we consider are crucial in improving the customer experience for the on the ground response. In the next section we review our findings on each of these three key relationships.

5 Insurance Industry and Customer

5.1 Customer education and information

5.1.1 Information about what to do in the event of flood

The information provided by the industry to customers both pre, during and post flood was a common theme referred to by stakeholders during the research. As stated in section 4.3.3, information supplied to customers also formed the basis of two of the Pitt recommendations. Whilst it is clear that the industry has improved on customer communication and the provision of information since the 2007 floods, customer feedback suggests that further education is required.

We have established that there is an excellent source of information online in the form of information packs on insurer websites and links to government sources. The ABI also has information available on its website including the updated consumer guide *Responding to Major Floods: What to Expect from your Home Insurer* (ABI, 2015).

However, the ABI guide regarding resistant and resilient repair after a flood (ABI, ABI Surge Plan, 2012) needs to be updated following the Government Repair and Renew Grant. In addition, the access to insurance website and guide for housing officers on the importance of flood insurance for tenants (ABI, 2010) needs to be updated.

Whilst the information provided by the ABI is useful, customers have advised they were unaware of where to locate information at the time of flood. Other customers have commented that the information is very general and not relevant to their local area.

The Aviva website (Aviva, 2015) describes a case study project in conjunction with Norfolk County Council showing how a customer in an “at risk” area can prepare their property for a flood event. They attach a checklist of steps a customer can take to minimise the effect of a flood, however the resilience and resistance measures in the case study involved significant expenditure that might be out of reach for many customers.

We compared insurer websites with those provided by victim support groups and charities and identified various areas where insurers can improve. Websites such as that provided by Mary Dhonau (<http://www.marydhonau.co.uk/> and <http://www.knowyourfloodrisk.co.uk/>) contain links to a significantly larger amount of relevant information as well providing more realistic step-by-step guides to preventative measures.

Recommendation 1 *Insurers should review, update and expand the information they provide online for customers regarding flooding. It is then the responsibility of Insurers to ensure that their customers are aware of how to access this information or the ABI guide and to provide other information relevant to their customers, which may include reference to local government websites.*

Despite the Pitt Review recommendations, not all insurers distribute flood advice documents with policy documents. There also appears to be some confusion amongst customers over who to contact when they experience a flood.

Recommendation 2 *The ABI should encourage all major UK domestic property insurers to actively provide their customers in flood risk areas with guidance on flood risk and how to mitigate it, at the point of purchase. Insurers should advise customers clearly who is responsible for their claim and how to get in touch. Insurers should ensure that claims staff have the knowledge required to direct customers to information relevant to them.*

5.1.2 Information about impending events

Our research also suggests that customers could be given greater warning of flood events after purchasing their policy. Insurers have access to weather reports, flood alerts and flood mapping data; these warnings could be passed onto their customers. Some insurers already do so.

Although the Met Office, Environment Agency and other bodies are primarily responsible for issuing warnings, they do not advise customers about their insurance or about flood mitigation. Preparing a customer is likely to mitigate a potential loss for the insurer.

Vulnerable customers could stand to benefit most from early warnings, information on how to mitigate the effects of flood and contact details for those who can help.

Our research highlighted that the relationship between an insurer and a customer can become extremely strained during a claim if there is not an immediate response to the initial flooding. Conversely some customers commented on how quickly they were contacted in a flood event. Proactivity has been appreciated with some customers who are in an at risk area being contacted before their property was affected.

Recommendation 3 *Once a weather warning is received, insurers should send relevant information to their customers in the affected area via a smartphone app, text messages and e-mail including telephone numbers, useful web resources (ABI, BDMA, local council, the insurer's website etc.).*

5.1.3 Information about the claims process

We found that a significant concern of customers, after the first week of the loss, was the inconsistency in approach across different insurers covering properties the same area. We were told this was particularly noticeable when there were multiple claimants in a small area. Customers noted that repairs had begun on neighbouring properties before a loss adjuster had visited their own property. This was further complicated by the introduction of various suppliers and loss adjusters to the claims when different insurers are involved.

One solution suggested by an insurer was that in the event of significant flood, the ABI or another body acting for all affected insurers could appoint an independent firm to act as project manager on behalf of those insurers. The project management firm could appoint adjusters and repairers to specific streets or areas on a priority basis, the costs and levy for project management being apportioned between the relevant insurers.

Some customers also felt that once a service provider was appointed, their insurer did not have direct dealings with them unless the customer telephoned them. Customers expressed the view that they had bought their product from the insurer yet they had little if any dealings with them unless there was a problem with the claim that they wished to escalate.

Another particular area of concern was the process involved in repudiating a claim. We were told of claims being referred by the loss adjuster to the insurer for a decision on coverage and the customer being left waiting, in some cases for a matter of weeks, before meaningful feedback was received from either party. Customers also felt that they were not given enough information on what they can do if their claim is repudiated. The processes involved in disputing a repudiation were seen as substantially elongating the amount of time they were affected by the damage.

This issue highlights a lack of understanding of the role of a loss adjuster/surveyor and perhaps a lack of understanding of the claims process.

A number of customers raised an issue whereby uninsured parties who were being assisted by flood support groups and charities seemed to be better off as their damage was repaired quicker. This issue came up when smaller communities met during flood forums to discuss their progress. The customers' overriding view was that insurers were not proactive, their processes were not streamlined and there was little value in their insurance.

Having discussed the customer viewpoints with industry professionals, such as the BDMA, ABI and the restoration company Richfords, another explanation was provided for the longer process for insurance claims. These parties all highlighted that insurers have a duty to ensure that the drying-out process is completed fully before repairs are commenced. There has been a significant reduction in drying times since the 2007 floods, but the drying of a property can still take several weeks or months. Where an uninsured customer may be given a cheque by a charity or victim support group, they do not necessarily know to ensure that their premises is fully dried out.

Recommendation 4 *Insurers should communicate the claims process more clearly to customers. If they are appointing service providers, insurers should explain to the customer the authority that the service providers have and the process that will be followed. Customers need to be advised at the beginning how long the process will realistically take.*

Recommendation 5 *Insurers should review their claims process to ensure that customers are clearly informed as to who is managing their claim. Customers should have easy access to information on the progress of their claim and insurers should inform customers if their claim ceases to proceed down the normal track.*

5.1.4 Attendance at local flood forums

It was noted by customer representatives and insurers that insurers attend local meetings during flood events. In the 2007 floods, different insurers targeted different areas depending on the number of policyholders in the area. Since one area of the country was particularly affected (Somerset), it was therefore often the same insurer that attended local flood forums.

This on-the-ground presence was considered useful by customers, particularly if they were made aware of the attendance in advance and the insurers could answer questions and assist with progressing claims.

However, as time elapsed post flood, the on-the-ground presence reduced and only victim support groups were available. Whilst it would not be cost effective for members of the insurance industry to maintain a constant presence, they should attend initially and then ensure communication channels are set up locally so they can still be contacted throughout the process.

Recommendation 6 *The insurance industry should have a greater local presence at serious flood events. A working committee should be established in each region to include an insurer, a restoration company and a loss adjuster that travels to areas affected when required, but maintains a relationship throughout the year. This committee should work more closely with victim support groups and charities as well as local governments.*

5.1.5 Price

A common theme we found in our feedback was that customers in flood risk areas are unable to obtain quotes for flood insurance following a local flood event, or if they are, they are quoted very high prices. Customers advised they had been offered renewal terms without flood cover included or flood cover with a sizeable excess.

Whilst increased premiums following local events are understandable, it was felt that insurers' approach did not recognise whether their property had in fact been affected by recent flooding or if it was flood resilient. Customers were frustrated that the risk assessment applied to their property did not seem specific enough. Customers wanted to be confident that the insurance industry takes into account the risk associated with flooding at an individual property rather than a street or post code – and this approach is being adopted by an increasing number of insurers.

BIBA has estimated that it may cost around 25% extra to insure a property within a flood risk area regardless of its resilience. The AA British Insurance Premium Index shows that average insurance premiums across the country increased by 3% for buildings and 2.3% for contents insurance following the July 2007 floods. It is understandable, therefore, that a perception exists that insurance for flood events is not fairly rated on the specific property. This picture is likely to have been enhanced by media coverage of unaffordable premiums.

Flood Re will look to remedy unaffordability from 2015 by offering a means for insurers to cede high flood risk homes to Flood Re at a set price, based on council tax property value bands. The benefits of this can then be passed onto customers, however customers owning a property built after 2009 remain exempt from this agreement. In any event, the Environment Agency flood risk maps (Environment Agency, 2014) show that there are 5.4 million properties now classified "at risk", including those at risk from surface flooding.

5.1.6 More granular rating

We believe that insurers should do more to ensure that they take into account flood resilience measures which policyholders may have installed at their premises, any new local flood defences, or any specific mitigating factors that affect individual properties. This would be in line with the ABI's letter dated 5th August 2014 to the Government which stated:

"Insurers will always seek to take account of any measures which can be shown to have reduced the flood risk to a property, including measures funded by the Repair and Renew Grant." (Thoresen, 2014)

Customers are sharing success stories where they have managed to secure a reduction in their quoted premium by gaining knowledge of upcoming flood defence projects in the local area and

sharing this with their insurer. Insurers investing in a more granular approach could win higher quality business as a result, access greater volumes of low-risk properties and more accurately judge when a property exceeds their risk appetite and should be ceded to Flood Re.

The importance of the relationship between insurer and customer on price could be increased by the current drive to improve flood defences. Following previous flood events, national and local government are taking action to enhance and create flood defences. Some local authorities are allowing members of communities to combine their individual £5,000 Repair and Renew Grants to put towards a community flood defence, rather than protecting their individual premises alone. In addition, water companies have invested billions of pounds to improve and resolve or mitigate sewer flooding.

Recommendation 7 *Insurers should proactively seek information as to any flood mitigation factors, both in the local area and at the customer's premises, and rate home insurance accordingly.*

In order to do this, insurers will need to ensure that their underwriting systems are set-up accordingly and they have a consistent method of rating properties.

5.1.7 Concept of a flood risk and resilience certificate

We believe that a flood risk certificate for properties, similar to the EPC Energy Performance Certificate required when a property is built, sold or rented, would be useful so that customers could easily understand the level of risk to their home, and its resilience. As we establish in section 8.3 below, many customers in flood risk areas are unaware that their home is at significant risk of flooding.

We suggest that such a flood risk certificate would both include an assessment of the risk of the various types of flooding at the property and an assessment of its resilience, showing how resilient the property could be if further resilience measures were deployed. As with the EPC which is now familiar to customers, this could be based on a scale of A-G with colour coding.

A template for surveyors to use and which the homeowner or tenant may use to demonstrate the flood resilience of their property to insurers has already been developed. This would be a useful source in developing a certificate approach (<https://www.gov.uk/government/publications/property-flood-protection-flood-risk-report>).

Requiring a flood risk certificate when properties are built, sold or rented would further incentivise the construction of homes away from flood plains and/or with flood resilient construction.

Recommendation 8 *The ABI should establish a working party involving relevant experts and central government to consider how a flood risk and resilience certificate for properties could be developed. Insurers should commit to taking into account such certificates when rating home insurance.*

5.1.8 Taking defence and resilience into account

We believe property-level flood defence measures also need rating for efficacy in order to allow customers to choose appropriate products, to drive product improvements through customer choice, and to allow insurers to rate properties more accurately. We understand that DEFRA has already initiated a project which will consider the rating of such products. We recommend this also assesses whether the existing, stringent, Kitemark standard is adequate.

Insurers could also actively support the use of passive products which operate even when the homeowner or tenant is out.

Recommendation 9 *Insurers should take into account ratings of the efficacy of property-level flood defence measures, and the usefulness of passive products, and use this information in rating properties.*

Insurers have at their disposal tools to help more accurately rate properties at risk of flooding. While the introduction of Flood Re will cap the cost of flood insurance for many at-risk customers, not all will be included, as noted above. Hence we see value in insurers, who have an appetite to insure properties not included, offering pre-risk flood reports or surveys at the customer's expense, and a discount on the premium depending on the findings and the adoption of any flood resilience measures recommended.

Recommendation 10 *Insurers with an appetite to do so should investigate offering flood reports or surveys at proposal stage (at the policyholder's expense) and factor the findings, or resilience measures subsequently adopted, into their rating.*

Finally, we believe insurers need to know that properties repaired with resilience in mind, after previous flood events, reach a minimum standard of resilience. This would allow easier accurate rating of such properties and further help to deliver the competitive advantages of this approach described above. We believe a standard construction and repair methodology for flood resilience in buildings would achieve this consistency.

Such a standard methodology would also enable resilient repairs as part of insurance claims, as near cost-neutral as possible. We discuss this aspect in section 7.1.3 below. The proposed British Standard BS12999 (see 4.3.7) may assist in, or contribute to, achieving this standardised methodology.

Recommendation 11 *Insurers should assist in the development and deployment of a construction/repair methodology for flood resilient buildings.*

6 Insurance Industry and Government

6.1 Central Government

Most of the interaction between the insurance industry and central government is via the ABI. DEFRA is the government department responsible for the management of flooding.

6.1.1 Investment in flood prevention

Customer representatives told us they felt insurance companies could do more to encourage central government to carry out flood prevention measures such as dredging and drainage maintenance. This would be beneficial to both customers and insurance companies as it would reduce the overall impact of flood.

Given that investment in flood prevention has been shown to have a high rate of return (see 4.3.2 above), we believe that efforts by the ABI to influence central government to protect or increase the budget allocated to flood defence should be further supported. This may fall within the scope of the campaign for Flood Free Homes, launched on 20 January 2015 by the ABI, supported by Friends of the Earth, Know Your Flood Risk, National Flood Forum, and the Property Care Association's Flood Protection Group. We believe Flood Re will also be able to influence central government.

Recommendation 12 *Central government should protect or increase the budget allocated to flood defence and insurers should support the Flood Free Homes campaign to further this aim.*

6.1.2 Involvement in multi-agency planning

DEFRA released a document entitled "The National Flood Emergency Framework for England" in October 2013. This is a source of guidance for those involved in planning for flood emergencies and is accompanied by "Detailed Guidance on Developing a Multi-Agency Flood Plan". The framework was introduced following the 2007 floods as recommended by the Pitt Review and was last updated in December 2014.

The framework is key to understanding the roles and responsibilities of central and local government in a flood. It highlights the importance of pre-planning and gives guidelines on the duties of local authorities when planning for, and responding to, a flood event. We noted that it encourages local authorities to publicise their response plans to a wider audience (once sensitive information has been removed). Insurers could use this resource to fine-tune their claims processes by identifying potential issues in the response in advance – for example through understanding whether abandoned properties will be secured by the Police or not.

However, despite there being discussion in the text regarding the multi-agency response and multi-agency planning, there is no specific mention of interactions with the ABI or individual insurers. As discussed in the next section on interactions with local authorities, we feel that the insurance industry should be involved more in pre-event planning and this should be reflected in the DEFRA framework and guidance. The ABI advises that they already work very closely with DEFRA on pre-event planning and we feel this should be reflected in the document.

Recommendation 13 *The ABI should continue its efforts to ensure that insurers are involved in pre-event planning and investigate whether insurers could be included in the DEFRA planning framework.*

6.1.3 Repair and Renew Grant

Part of the UK government's response to the floods of 2013-14 was to make funding available to assist in the recovery, including through the Repair and Renew Grant which we address in detail below.

We believe it would be beneficial for central government to give greater consideration to the possible role of insurers in such responses. The Grant was a positive response following the 2013-14 event but our feedback and research of different local authority approaches to administering the grant indicates that greater thought and guidance could have been given on how the Grant should be administered. An interaction with the insurance industry could have assisted here, given that insurers frequently manage the repair of flooded properties. We outline how this might work below.

6.2 Local Government

6.2.1 Local authorities

To explore the interaction between insurers and local government, we spoke to insurers and also attempted to engage with targeted local authorities previously affected by flood. Unfortunately, none of these local authorities responded to our requests for dialogue. We therefore approached the District Councils Network (DCN), *"a special interest group of the Local Government Association (LGA), [which] provide[s] a single voice for district councils within the LGA and to Central Government"*. Members of the DCN provided us with a positive response.

The DCN members indicated that it was the safety of residents and their property/homes which was their most important consideration during a flood scenario. The DCN members noted the following responsibilities of local authorities as regards flooding:

- Under the Civil Emergencies Act, a responsibility to ensure residents are given assistance in terms of flood prevention and the safety of people and their homes;
- Provision of emergency / temporary protection of properties where they are at a risk of flooding and distributing sandbags free of charge to high risk areas, as well as collecting them again;
- Clean up operations of public open spaces, highway surfaces and other affected areas;
- Provision of emergency / temporary refuges if necessary;
- Post-incident inspections to assist the affected community with the recovery phase.

In terms of their members' interaction with the insurance industry regarding flood response, the DCN members cited little or no contact between the insurers and local authorities. Communication, pre-planning and speeding up the claims process are considered the key issues from the DCN members' perspective.

From the Insurance industry's perspective, one major issue reported is that councils do not identify insurers as a key contact when considering responsibility for reinstating private and commercial property.

We believe that enabling occasional communication between local authorities and insurers with a local exposure to flood risks could be facilitated by identifying relevant contacts. Benefits would be gained on both sides by engagement in planning, more easily resolving problems of access and responsibility during the immediate aftermath and building trust to facilitate administration of the Repair and Renew Grant.

We note the ABI already communicates with local government through the structures set up by central government for emergency response. Our recommendation relates to insurers being in contact with relevant local authorities both pre- and post flood.

Recommendation 14 *The ABI and Local Government Association should share insurer contact details with relevant local authorities, in event of flooding.*

6.2.2 Pre-event planning

Most stakeholders with whom we engaged considered pre-event planning to be an area for improvement between local councils and insurers, disaster recovery companies and local Police and Fire services.

Despite DEFRA's framework document we are concerned there is a lack of uniformity in the approach to planning across the country and that the amount of pre-planning carried out depends on the local council and their experience with floods. For this reason we feel that sharing of information on a national scale is important. Insurers and loss adjusters as well as the BDMA have commented that where local government has a clear Flood Risk Plan in place, the recovery process is improved.

We believe insurer involvement in such planning would assist the delivery of quick decision making which was highlighted by loss adjusters as being key to good customer service. Basic logistics such as security measures, access arrangements and social care responsibilities for vulnerable individuals featured heavily in our discussions. It is crucial for insurers and their partners to understand what steps are being taken by the local authority and other agencies, who is responsible for what and, where possible, when things are going to happen - and for them to help relay this to their customers.

Exercise Watermark, a civil defence preparedness exercise testing the response to flooding was carried out in March 2011 following the recommendations of the Pitt Review and was led by DEFRA and the Welsh Government. The insurance industry participated in parts of the exercise, which were seen as an example of positive interaction between a wide range of stakeholders. We believe the industry could usefully revisit this model in the future.

Recommendation 15 *Insurers should engage with local authorities in flood risk areas where they have exposure to participate in pre-event planning.*

One issue that has arisen in our research regarding planning is whether there should be clear boundaries between the local council's role following a flood and the insurer's role. There is uncertainty over where the responsibility of the local authority ends and where the insurer's starts.

Generally, during the recovery period a local council will tend to deal with issues leading up to the 'front gate' of the premises and will assume everything within the home boundary falls to the insurer. Our research has found that there is an overlap between roles and uncertainty over responsibility for some activities such as the collection of refuse resulting from repairs.

Where there is good communication and understanding amongst the stakeholders, we believe they are happy to provide advice to residents even in cases where it is not their role or duty to do so.

Recommendation 16 *Insurers should work with local authorities, the emergency services and the BDMA to agree best practice on details of repair and clean-up and to clarify roles – e.g. who is responsible for rubbish and security. We believe the sharing of information pre-event, including risk plans, will ensure an improved outcome for the customer.*

There are examples of good communication between individual insurers and government. For example, RSA have established open communications with local councils and MPs, including a direct contact number for MPs during floods as well as visits to parliament to discuss flooding. The general consensus from those approached is that more of these meetings should take place to improve communication ties and share best practice.

6.2.3 Repair and Renew Grant

The Government introduced a “Repair and Renew Grant” in April 2014 which offered to provide up to £5,000 each for all affected homeowners and businesses to top up any money received from insurers and ensure the repairs were flood resilient. This was for any property flooded between 1st December 2013 and 31st March 2014.

Whilst the grant is well intended, we found that it is not particularly accessible to flood victims and, furthermore, an opportunity to optimise the administration of the scheme was being overlooked in so far as there was no clear interaction with or guidance for insurers in how to assist.

We think that since many homeowners affected by the flooding were having their property reinstated via an insurance claim, it would be beneficial for insurers and their loss adjusters/surveyors to interact with the Repair and Renew Grant scheme for the benefit of the homeowner. This could be through assisting with completion of applications, specification of flood resilient repairs and advice on same, provision of surveys, and delivery of the resilient repairs through approved contractors as part of the overall reinstatement.

Insurers raised the issue of betterment regarding flood resilient repairs as part of the insurance claim, particularly if a similar grant contributing to the cost is not provided in future. We note, however, that a by-product of resilient repairs would be an improvement in the risk. This is in line with the DCN members’ view that it is partly the responsibility of insurers to take a longer term view of funding for additional flood resilient repairs. In our view, through this approach a successful insurer could win renewal through enhanced customer service, and of an improved risk.

Recommendation 17 *The ABI should further establish with representatives of local authorities a framework identifying how, should similar grants be made available in future, insurers could assist in their implementation.*

The DCN members also considered there is a requirement for an agreed protocol on what good, flood resilient repairs look like. This could be drawn up together through agencies such as the Environmental Agency, ABI, and BDMA so that any insurance claim taking place at a property within a designated flood risk area has repairs completed that improve the overall resilience of the property to future flood damage. The proposed BS12999 may be relevant in this regard (see 4.3.7 above).

We believe that flood resilient repairs as part of the reinstatement of properties in flood risk areas could be nearly cost neutral if an efficient standard is devised and with scale of take-up.

6.2.4 Refocusing on flood prevention and defence

The DCN members also highlighted that only minimal numbers of grant applications were received because local authorities were relatively successful in defending large numbers of properties. This has led to a question of whether the funds that have been saved should be diverted towards further flood defences/prevention in affected areas.

Some local authorities do allow victims to combine their single grant with neighbours to develop community flood defences. Flood victims must apply to the relevant authority to do this. We believe this is a very positive step as it enables larger scale defence measures with greater impact at the local level.

Considering our research of the international context (4.3.2) we believe that while the Repair and Renew Grant has been a positive response to the 2013-14 flooding, it would be beneficial in the long term for central government to provide funding for locally administered *pre-flood* resilience grants. This would empower local people to make improvements whether at individual property or community level. Insurers would need to recognise resulting improvements in resilience in pricing home insurance in order to incentivise risk reduction.

Recommendation 18 *The ABI should encourage central government to fund locally-administered pre-flood resilience grants.*

7 Insurers and Service Providers

7.1 Loss Adjusters

Insurers and loss adjusters are confident they have effective pre-event surge planning in place to complement their business as usual procedures. Pre-event agreements between insurers and service providers are often updated during or post a surge event although scheduled review and updating of such plans is important. Both parties agree that giving customers quick decisions is paramount when dealing with an event.

The main focus for these two stakeholders is on delegated authority and adjuster resource.

7.1.1 Delegated authority

Loss adjusters, insurers and restoration companies told us that higher than normal levels authority to manage claims without referral to claims handlers were beneficial in responding quickly to claims in surge events caused by flood. Delays in instruction and therefore stabilisation works raise the chances of secondary damage and increase claim lifecycle and spend.

Individual insurers had different approaches to awarding authority and we believe that individual insurers should consider and implement their own policy on authority granted to their experts in surge events.

Recommendation 19 *Insurers should consider and implement appropriate authorities for their service providers that will allow delivery of their customer promise in surge situations.*

7.1.2 Adjuster resource

We noted adjusters' comments that the ability of the supply chain to deliver insurers' expectations and their customer commitments in a surge event was affected by the policy applied to business-as-usual remuneration. Downward pressure on business as usual costs affected the ability of adjusting firms to maintain surge capabilities.

7.1.3 Use of experts

As we suggest in section 6.2.3, insurers are well placed to permit and facilitate flood resilient repairs when reinstating flood damaged property. Use of insurers' experts is key to delivering this mutually beneficial approach.

We discussed with adjusting firms whether it would be possible to up-skill loss adjusters to participate in specifying flood resilient repairs. Our conclusion is that many flood claims will be large enough to involve a surveyor who would be the best person to advise on flood resilient repairs. This appears to be the lowest cost option.

Recommendation 20 *Interested insurers should form a working party with loss adjusting firms and the Royal Institution of Chartered Surveyors (RICS) to establish training for surveyors in flood resilient construction and repair concepts and establish principles for deploying such methods in flood claims.*

8 Other Interactions

During our stakeholder engagement we gained insights into other interactions which do not fall within our three key areas of focus.

8.1 The ABI

The majority of stakeholders, but particularly insurers, viewed the role of the ABI as the representative of the insurance industry as very important. Insurers cited that a coordinated approach was needed to achieve change that individual insurers could not justify investing in. In this report we assign several recommendations to the care of the ABI, noting that the ABI is already working on many of the areas. We believe that codification of the work the ABI is doing would help to ensure that relevant stakeholders are aware of it.

8.1.1 Pro-active media engagement

The view from those we approached is that there should be a greater industry voice at the pre-flood stage. The ABI, BIBA and insurers were praised by the BDMA for their communication strategy and it was felt improvements were evident in the response to the 2013-14 floods. However, we believe it is too easy for negative media coverage, some of which originates with those wanting to gain political capital from the situation, to outweigh the industry's positive efforts.

An example of negative coverage was the BBC's Watchdog programme on 3rd June 2014 which focused on homeowners experiencing a delay in returning to their properties. A lack of understanding about the time taken to remediate a flooded property was evident. The BDMA noted, though, that it was difficult for the media to point to individual cases or complaints as evidence of failings, showing that insurers and their supply chain had performed well.

Our stakeholders reported that the good work and service of insurers in flood claims rarely makes the news despite offering a wealth of human interest stories. We believe it would be beneficial to promote these good news stories even further in the media and this should be led by the ABI.

Additionally when government ministers are visiting affected regions, insurance industry representation alongside the visit is seen as a beneficial step in enhancing the industry's reputation.

Recommendation 21 *The ABI should develop a national media campaign in relation to major loss events providing the media with high quality human interest stories reflecting a more realistic and positive view of the role of the insurance industry, and should be supported in facilitating insurance representation to accompany ministerial visits to affected areas.*

8.2 Rescue Services

The Police and Fire Service, as well as the Royal National Lifeboat Institution (RNLI) and local rescue charities are often first on the scene following a major flood. The Police will block off roads where necessary and provide security, while the fire and rescue services will pump the initial flood waters from homes and rescue people from their homes as required.

For the insurance industry, communication with these services is important for three main reasons;

- Gaining prompt access to the homes in the area;
- Ensuring they have suppliers in place to take over from the fire service once the initial waters have been pumped; and
- Ensuring that security of property is maintained.

Once the Fire Service has undertaken initial drainage in the affected area, the extent of which is limited by the size of the pumps, they will leave and there may be delays before the insurer's agent attends each affected property to drain the remaining waters. This increases the claims life cycle and the claims spend through increased damage.

Insurers and their agents may not be able to access the area immediately or be advised when they are able to gain access, causing delay.

There may be a security risk to homes left unattended if the Police leave and residents are unable to return or are unaware that they can do so.

Our research has found that whilst there is some coordination on the ground between insurers' representatives and the emergency services, this is limited and usually on a one to one basis. We felt there could be more pre-planning for events or the exchange of information pre-event, in the vein of Exercise Watermark.

Whilst it may be difficult to establish a national protocol to resolve such issues, given the number of local rescue services that are involved, it would be useful if communication methods could be improved.

Recommendation 22 *Insurers should engage with local authorities in flood risk areas where they have exposure to participate in pre-event planning. As part of this they should ensure that they exchange information with the emergency services and establish how they will communicate within the emergency command system and on what key points.*

8.3 Charities

Charities are keen to engage with the insurance industry and other stakeholders for a more co-ordinated effort. Charities play a vital role in both flood response pre- and post event and have direct involvement with the victims.

A telephone interview was conducted with Aurore Hochard of Flood Volunteers. Flood Volunteers provides a community website where those in need can connect with volunteers in the local area. Communities or individuals affected by flood can find volunteers offering their time, skills or equipment. They are keen to collaborate with the insurance industry as they realise that flood response is a joint effort. They are also keen to work with other charities, particularly emergency service providers as they have an IT platform that can bring people together and join up the response.

The Rivers Trust carried out a study in Warwickshire and Kent, counties which suffered during the 2013-14 flooding. One of the key findings from this study in relation to insurance were that as many as 40% of those at significant risk of flooding were unaware of that risk. It was also apparent that many householders chose to 'stay beneath the radar' as they did not want their properties identified as high risk and their insurance premiums to rise. This followed an offer from the Environment Agency (EA) to undertake a property-by-property flood risk assessment. Some thought that this might lead to them not being able to obtain insurance at all in the future.

As we have seen through the ABI's letter to the Government of 5th August 2014 (Thoresen, 2014), the industry is keen to convey the message that insurers will view any flood resilience measures taken by property owners positively. This message does not seem to be getting through to customers, indicating a need for more positive promotion through the media.

We also interviewed Lucy Butler at The Eden Rivers Trust. This is a registered charity concerned with the conservation and protection of the River Eden which flows through the Lake District and Yorkshire Dales National Parks. She shared some of the work being done by The Rivers Trust including the Adaptive Land use for Flood Alleviation (ALFA) project, which is an EU funded resilience project involving seven partners across western Europe. This project has focused on river capacity for storing and conveying water. They are involved in various other projects in the UK, which involves work with the local community to increase resilience.

Much of their work involves looking at creative ways to develop flood resilience in harmony with the local ecosystem. They have looked at storage options in the flood plain, flowing water away from flood areas, reducing peak flows and working closely with the local farming community. She mentioned that a local community group they have worked with were in discussions with the insurance industry and were keen to know if the resilience work they were looking at would have an impact on their premiums.

We believe that individual insurers and Flood Re could gain by engaging with charities working to increase flood resilience in areas where they have significant flood risk exposure. This is likely to involve modest investment but as well as contributing to insurers' corporate and social responsibility goals, such engagement would result in reduced risk exposure and enhanced reputation.

Recommendation 23 *Insurers should work with charitable, practical flood resilience projects and ensure that the work completed will benefit customers by being taken into account in rating their properties.*

9 Next Steps

9.1 Principle Recommendations

In this report we have made 23 detailed recommendations which fall into four high level objectives:

- Informing the customer
 - We should provide greater information to customers about the risk of flood, how they can respond and what we will do to help in the event of a claim.
 - We should ensure this information reaches customers.
- Supporting and encouraging flood resilience
 - We should invest in ensuring that flood resilience is supported through product and home ratings, construction and repair methods and government investment.
- Engaging with the media and the public
 - We should have a local presence after flood events and engage positively with the media.
- Participating in planning
 - We should approach local authorities and central government and participate in pre-event planning.

Our detailed recommendations within these categories are shown in Table 3 at the end of this report.

A timeline of a flood event showing where our recommendations are most relevant can be found in Figure 1.

9.2 Formation of Working Party

We believe the most effective way to take forward our recommendations is the formation of a working party, to comprise representatives of insurers, the ABI, and members of our project group. This working party could prioritise the recommendations, select those to be implemented and deliver an implementation project.

External stakeholders would need to be involved to shape and implement the selected recommendations. A number of those who have participated in our research would be willing partners in implementing the priority recommendations.

9.3 Timeframe

We suggest that a realistic implementation timeframe for the recommendations is as follows:

Table 2 - Timeframe for implementation

Milestone	Completion Date
Formation of working party	End Q2 2015
Prioritisation of recommendations	End Q3 2015
Agreement of implementation plan	End 2015
Initiation of flood risk certificate project	End 2015
Agreement of customer information and media engagement plan	End Q1 2016
Formation of local authority engagement group	End Q1 2016
Delivery of enhanced customer information and set-up of enhanced media engagement	End Q3 2016
Delivery of prototype Flood Risk Certificate	End 2016

Figure 1 - Timeline of a Flood Event and Notable Recommendations

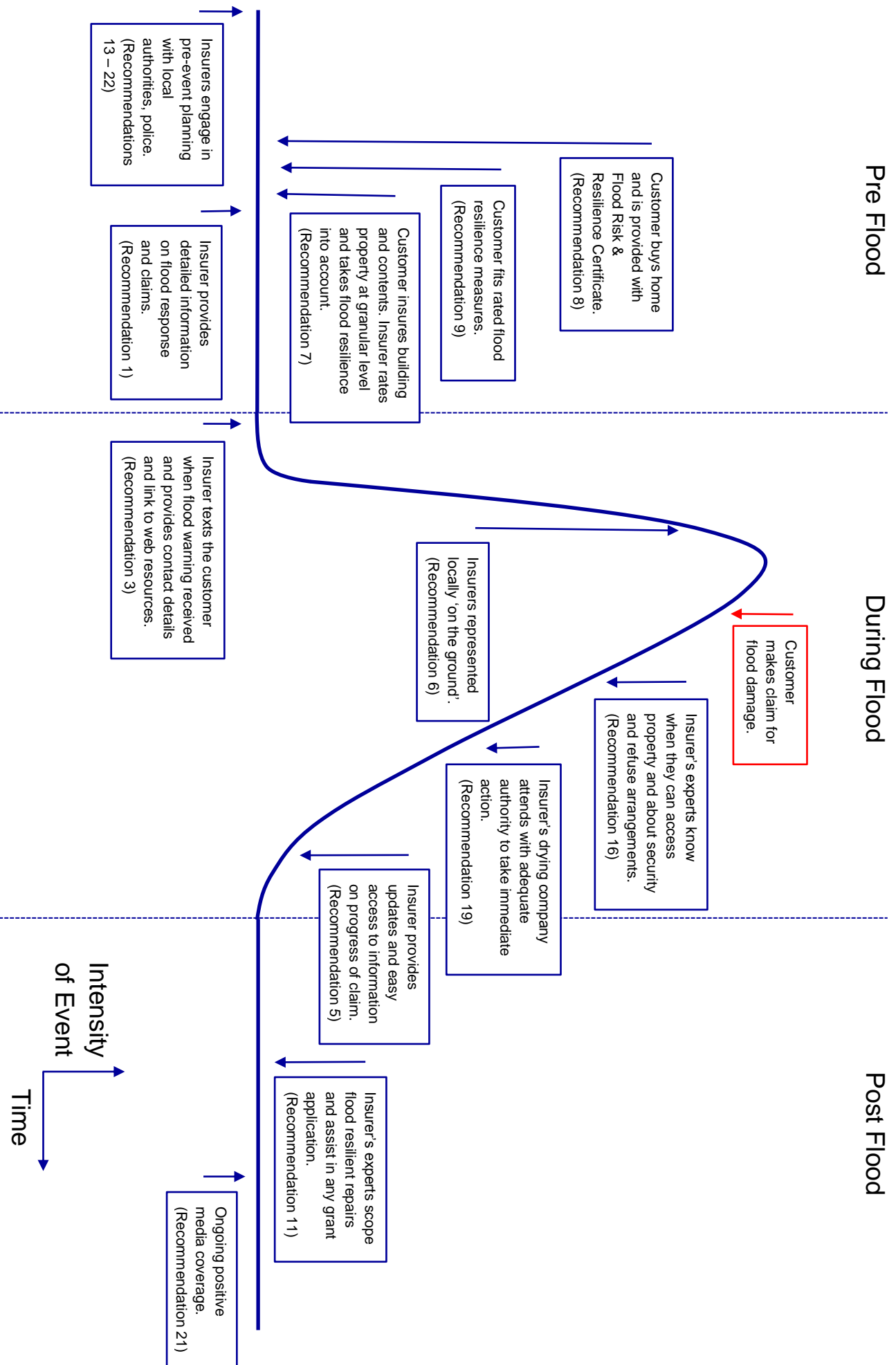


Table 3 - Summary of Recommendations

			Page	Assigned to	Indicative Cost:Benefit Ratio
Informing the Customer	Recommendation 1	Insurers should review, update and expand the information they provide online for customers regarding flooding. It is then the responsibility of Insurers to ensure that their customers are aware of how to access this information or the ABI guide and to provide other information relevant to their customers, which may include reference to local government websites.	13	Insurers	<i>Positive</i>
	Recommendation 2	The ABI should encourage all major UK domestic property insurers to actively provide their customers in flood risk areas with guidance on flood risk and how to mitigate it, at the point of purchase. Insurers should advise customers clearly who is responsible for their claim and how to get in touch. Insurers should ensure that claims staff have the knowledge required to direct customers to information relevant to them.	14	ABI & Insurers	<i>Positive</i>
	Recommendation 3	Once a weather warning is received, insurers should send relevant information to their customers in the affected area via a smartphone app, text messages and e-mail including telephone numbers, useful web resources (ABI, BDMA, local council, the insurer's website etc.).	14	Insurers	<i>Moderately Positive</i>
	Recommendation 4	Insurers should communicate the claims process more clearly to customers. If they are appointing service providers, insurers should explain to the customer the authority that the service providers have and the process that will be followed. Customers need to be advised at the beginning how long the process will realistically take.	15	Insurers	<i>Positive</i>
	Recommendation 5	Insurers should review their claims process to ensure that customers are clearly informed as to who is managing their claim. Customers should have easy access to information on the progress of their claim and insurers should inform customers if their claim ceases to proceed down the normal track.	15	Insurers	<i>Positive</i>
Supporting and Encouraging Flood Resilience	Recommendation 7	Insurers should proactively seek information as to any flood mitigation factors, both in the local area and at the customer's premises, and rate home insurance accordingly.	17	Insurers	<i>Positive</i>
	Recommendation 8	The ABI should establish a working party involving relevant experts and central government to consider how a flood risk and resilience certificate for properties could be developed. Insurers should commit to taking into account such certificates when rating home insurance.	17	ABI	<i>Positive</i>
	Recommendation 9	Insurers should take into account ratings of the efficacy of property-level flood defence measures, and the usefulness of passive products, and use this information in rating properties.	18	Insurers	<i>Positive</i>
	Recommendation 10	Insurers with an appetite to do so should investigate offering flood reports or surveys at proposal stage (at the policyholder's expense) and factor the findings, or resilience measures subsequently adopted	18	Insurers	<i>Moderately Positive</i>
	Recommendation 11	Insurers should assist in the development and deployment of a construction/repair methodology for flood resilient buildings.	18	Insurers	<i>Positive</i>
	Recommendation 12	Central government should protect or increase the budget allocated to flood defence	19	Central Government	<i>Moderately Positive</i>

			Page	Assigned to	Indicative Cost:Benefit Ratio
	Recommendation 18	The ABI should encourage central government to fund locally-administered pre-flood resilience grants.	23	ABI	<i>Moderately Positive</i>
	Recommendation 19	Insurers should consider and implement appropriate authorities for their service providers that will allow delivery of their customer promise in surge situations.	24	Insurers	<i>Positive</i>
	Recommendation 20	Interested insurers should form a working party with loss adjusting firms and the Royal Institution of Chartered Surveyors (RICS) to establish training for surveyors in flood resilient construction and repair concepts and establish principles for deploying such methods in flood claims.	24	Insurers	<i>Moderately Positive</i>
	Recommendation 23	Insurers should work with charitable, practical flood resilience projects and ensure that the work completed will benefit customers by being taken into account in rating their properties.	27	Insurers	<i>Questionable</i>
Participating in Planning	Recommendation 13	The ABI should continue its efforts to ensure that insurers are involved in pre-event planning and investigate whether insurers could be included in the DEFRA planning framework.	19	ABI	<i>Positive</i>
	Recommendation 14	The ABI and Local Government Association should share insurer contact details with relevant local authorities, in event of flooding.	21	ABI	<i>Positive</i>
	Recommendation 15	Insurers should engage with local authorities in flood risk areas where they have exposure to participate in pre-event planning.	21	Insurers	<i>Positive</i>
	Recommendation 16	Insurers should work with local authorities, the emergency services and the BDMA to agree best practice on details of repair and clean-up and to clarify roles – e.g. who is responsible for rubbish and security. We believe the sharing of information pre-event, including risk plans, will ensure an improved outcome for the customer.	22	Insurers	<i>Positive</i>
	Recommendation 17	The ABI should further establish with representatives of local authorities a framework identifying how, should similar grants be made available in future, insurers could assist in their implementation.	22	ABI	<i>Moderately Positive</i>
	Recommendation 22	Insurers should engage with local authorities in flood risk areas where they have exposure to participate in pre-event planning. As part of this they should ensure that they exchange information with the emergency services and establish how they will communicate within the emergency command system and on what key points.	26	Insurers	<i>Positive</i>
Engaging with the Media and the Public	Recommendation 6	The insurance industry should have a greater local presence at serious flood events. A working committee should be established in each region to include an insurer, a restoration company and a loss adjuster that travels to areas affected when required, but maintains a relationship throughout the year. This committee should work more closely with victim support groups and charities as well as local governments.	16	Insurers	<i>Positive</i>
	Recommendation 21	The ABI should develop a national media campaign in relation to major loss events providing the media with high quality human interest stories reflecting a more realistic and positive view of the role of the insurance industry	25	ABI	<i>Positive</i>

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