



A Green Paper on Flooding, Flood Alarms and the Spiralling Cost of Flood Insurance

November 2010

Flooding

SUMMARY

Flood victims continue to face spiralling home insurance costs, even when premiums remain unchanged, excesses for flood cover are rising to levels that are making their properties virtually unsellable. The Environment Agency calculates that nearly two and a half times more properties are thought to be at risk than estimates made just seven years ago. Preventing flooding is virtually impossible, so it's imperative for homes and businesses to get as much warning as possible, in any emergency situation time is the most valuable commodity. Even a few extra minutes can make a crucial difference, rescuing passports, driving licences, insurance forms etc will save weeks of inconvenience. For businesses, time to back-up digital work, move equipment and files to a higher floor will allow work to continue or resume once the flood waters have subsided. That's why EIL's Community Flood Alarms are a necessity not a luxury.

FLOOD FACTS

Property, land and assets to the value of £214 billion are at risk of flooding in England and Wales

781, 000 calls were made to Floodline during the Autumn 2000 Floods

Two million homes have been built in the natural floodplain of rivers or the coast and are vulnerable to flooding

Five million people in England and Wales are now at risk from flooding every year

Four inches of water will ruin your carpet, six inches of fast flowing water will knock you off your feet; and two feet of water will float your car

In many cases rivers play no part in flooding. In 2007 1,400 London properties, 8,000 Hull properties and a further 1,800 in Thatcham were flooded solely due to drains, sewers and culverts

The Association of British Insurers estimated the total bill for the June and July 2007 floods at £3 billion.

Flooding, Flood Alarms and the Spiralling Cost of Flood Insurance

Every other TV and newspaper advert seems to be offering a great deal on insurance, each company competing heavily to undercut and offer a more comprehensive cover than their competitors. However, it's a different story for anyone unfortunate enough to live in an area at risk of flooding. Flood victims continue to face spiralling home insurance costs, even when premiums remain unchanged, excesses for flood cover are rising to levels that are making their properties virtually unsellable. The Environment Agency calculates that nearly two and a half times more properties are thought to be at risk than estimates made just seven years ago.

The good news is that the Insurance industry has a pact in place with the Government until July 2013 preventing cover from being taken away from flood-risk homes. The proviso being that it is dependent on the states continued investment in flood defences, what effect the recession will have on the states spending pledge is unclear and compounds future premium concerns. Buyers are entitled to the same guarantee providing there is no gap in cover, which means buyer and seller coordinating the switch-over. The reality, however, seems to paint a different picture, "people are coming to us with huge premiums and flood excesses of up to £30,000, which is as good as having no insurance at all and makes their property virtually worthless," says Mary Dhonau, Chief Executive of the National Flood Forum, a charity that advises flood victims. "The problem has got steadily worse over the past year and we are now being overwhelmed by calls from homeowners who have spent a huge amount protecting their property, but are still being charged ridiculous premiums or refused cover altogether."

According to the Environment Agency flood claims typically cost £28,000, compared with only £7,300 for fire claims. Despite this, a YouGov survey revealed last month that only 6 per cent of households are prepared for flooding, while 80 per cent have taken steps to protect against fire. The clean up costs after the last big floods of summer 2007 totaled £3bn, according to the Association of British Insurers (ABI). The ABI says that with around two million homes now at risk from flooding, the repair cost this year could easily top that.

The Cumbrian town of Cockermouth has been the biggest victim of floods so far this year, experiencing the equivalent of a month's rainfall in just 24 hours. Resulting in devastating damage to homes and bridges and the tragic death of a Police Officer. Property owners across Cumbria fear they will be asked to bear some of the cost of the £100 million claims bill through future increases in premiums and flood excesses. Some of those in Cockermouth, previously flooded in January 2005, already face excesses of £5,000 to £10,000. Recent flash floods in Cornwall during November 2010 have focused attention on a new area of the UK which will now face the same difficulties.

The accepted current practice is to repair damaged properties by returning them to their condition prior to flooding, with no opportunity to improve the property and prevent damage from future flooding. However, there is a growing belief that 'resilient repair' is a far more sensible approach. This would entail replacing carpets with stone or tiled floors and raising the height of electrical circuits, thereby significantly reducing the size of future claims. Graeme Trudgill of the British Insurance Brokers' Association said 'We're encouraging more insurers to look at resilient repair. It may be more expensive in the short term, but it is absolutely the sensible thing to do if a property might flood again'. It's been suggested that the additional cost of such repairs could be shared between the insurer, the local Environment Agency and the customer. Malcolm Tarling, of the Association of British Insurers, says "the average flood claim in some parts of the country can be up to £45,000 and in the summer of 2007 insurers paid out the equivalent of four years' claims, in a period of just six weeks," Not surprisingly some of the large insurance companies who had their fingers burned in 2007 have adopted an extremely cautious stance.

Since the floods in 2007, the Environment Agency has invested heavily in flood defences and has set up an early warning service which uses text messages to give those at risk advance notice of an impending flood. But the agency is disappointed that these steps, and those taken by customers, are rarely reflected in lower insurance charges. "Only a handful of insurers are

rewarding people who make their properties safer or sign up to our flood warning service with lower premiums and lower excesses," the spokesman for the Environment Agency said. "We would urge insurers to take account of flood-proofing work." Julie Owens, the head of home insurance at Moneysupermarket.com says "If you are currently living in an area at risk of flooding, taking preventative measures as soon as possible is crucial, especially if you know your property has been flooded before." It's not only home owners who suffer, landlords have no legal obligation to protect properties against flooding so many tenants suffer from repeated damage every time there is heavy rainfall.

David Cole, Managing Director of Environmental Innovations Limited who design and manufacture flood defence products ranging from early warning alarms to Floodstoppers™ says "One of the most damaging results of flooding is the sewage that is flushed into the immediate area. Once the drainage systems become full the flood water will escape into the surrounding environment. It is essential that properties that suffer from flooding look towards early warning systems and protect their property from back flow. By using GSM email alarms a whole community can be warned early that the site is likely to flood, buying valuable time to protect and set up flood protection, such as Floodstoppers™, door and vent covers." Preventing flooding is impossible, so it's imperative for homes and businesses to get as much warning as possible, in any emergency situation time is the most valuable commodity. Even a few extra minutes can make a crucial difference, rescuing passports, driving licences, insurance forms etc will save weeks of inconvenience. For businesses, time to back-up digital work, move equipment and files to a higher floor will allow work to continue or resume once the flood waters have subsided.

The Environment Agency expects the annual spend on flood defences to rise from £715m in 2009-10 to £1bn by 2035, and that would be just to protect the same number of homes as now. With recent pressure to cut costs, central government funding will not be able to match the pace of the rise, so the Environment Agency thinks that the areas most effected will be expected to fund a greater proportion. "To a degree, you are going to have to look at those who are benefitting from the defences topping up the pot with council levies." This anticipated rise in council tax, combined with higher insurance premiums and greater excesses are going to make selling properties in flood areas extremely hard.

USEFUL FACT SHEETS

The Flood Forum's new checklist on what to do when the water is lapping at your front door can really help calm the situation when you think your home is about to flood.

There's also quick guides on how to find out if your home or business is at risk of flooding via the Environment Agency's web-site and how to prepare your property to try and minimise the damage a flood can do.

If you have been flooded you can restore your home in a more flood resilient way - Fact sheet 4 offers tips and advice.

[Beginners Guide to Flooding - Fact Sheet 1](#)
[How do I find out if I'm at risk of flooding?](#)

[Beginners Guide to Flooding - Fact Sheet 2](#)
[What preparations can I make to protect myself from flooding?](#)

[Beginners Guide to Flooding - Fact Sheet 3](#)
[I'm just about to flood, help!](#)

[Beginners Guide to Flooding - Fact Sheet 4](#)
[What you can do to protect your home in future.](#)

[Beginners Guide to Flooding - Fact Sheet 5](#)
[Understanding Planning Policy Statement 25 \(PPS25\)](#)

[Beginners Guide to Coastal Flooding](#)

[Beginners Guide to Highway Flooding](#)

[Beginners Guide to Localised or Flash Flooding](#)

[Beginners Guide to River Flooding](#)

[Beginners Guide to Sewage Flooding](#)

[After you have been flooded](#)

[ABI Guide to responding to major floods](#)

USEFUL LINKS

Flood Forum

www.floodforum.org.uk

British Standards Institute [BSI](#)

British Damage Management Association [BDMA](#)

[CIRIA](#)

Climate Change Communication Initiative

www.climatechallenge.gov.uk/

Crawfords Loss Adjuster's UK Flood Centre

www.crawco.co.uk/content.aspx?CID=994&SID=6

Department for Environment, Food and Rural Affairs [DEFRA](#)

Directgov www.direct.gov.uk/en/HomeAndCommunity/WhereYouLive/FloodingInYourArea/index.htm

Environment agency [ENVIRONMENT AGENCY](#)

Exercise Watermark <http://www.exercisewatermark.co.uk/>

Flood Protection Association [FPA](#)

Sign up to the Know your flood risk campaign [KYFR](#)

Met Office www.metoffice.gov.uk/index.html

NSCA www.environmental-protection.org.uk/

Norwich Union on Flood Resilient Repairs www.floodresilienthome.com

Norwich Union Flood Plan Site www.floodplanuk.org

Safecoast www.safecoast.org/

Scottish Environment Protection Agency [SEPA](#)

Scottish Flood Forum [SFF](#)

Sniffer www.sniffer.org.uk

Society for the Protection of Ancient Buildings www.spab.org.uk

Sustainable Homes is the UK's leading trainer on the Code for Sustainable Homes and Retrofitting Homes to Low Carbon. Sustainable Homes also manage a best practice group for affordable housing providers. SHIFT has one million homes under membership www.sustainablehomes.co.uk

**If you have any questions about
Community Flood Alarms please call
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www.environmental-innovations.biz

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