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# TIGI 2019: Flood

IFoA Flood Working Party



# Agenda



# Flood is still on the Agenda

2018

Flood warnings in place after Easter rain and snow

© 3 April 2018

f     Share



2019

UK weather: Hottest Easter Monday on record

© 22 April 2019

f     Share



# Flood is still on the Agenda

## Storm Gareth advances with floods and 75mph winds

© 13 March 2019

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## Storm Callum: One killed as Wales suffers 'worst flooding for 30 years'

© 13 October 2018

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Storm Callum



## The wettest summer on record - 10 years on from the 2007 floods

By Lisa Wright  
BBC News

© 22 July 2017

[f](#) [b](#) [t](#) [✉](#) [Share](#)



# Two Thousand and Thirty Nine

## 2039

From Wikipedia, the free encyclopedia

*This article is about the year 2039.*

**2039** (**MMXXXIX**) will be a **common year starting on Saturday** of the **Gregorian calendar**, the 2039th year of the **Common Era** (CE) and *Anno Domini* (AD) designations, the 39th year of the **3rd millennium**, the 39th year of the **21st century**, and the 10th and last year of the **2030s** decade.

### Predicted and scheduled events [ edit ]

- **June 21** – **Annular solar eclipse** over the Northern hemisphere.
- **September 2** – The **Destroyers for Bases Agreement**'s ninety-nine-year rent-free leases granted to the **United States** by the **United Kingdom** will expire.
- **November 7** – **Transit of Mercury**.

**FLOODRE**



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## What is Flood Re?

# FLOODRE

Homes built  
after 2009

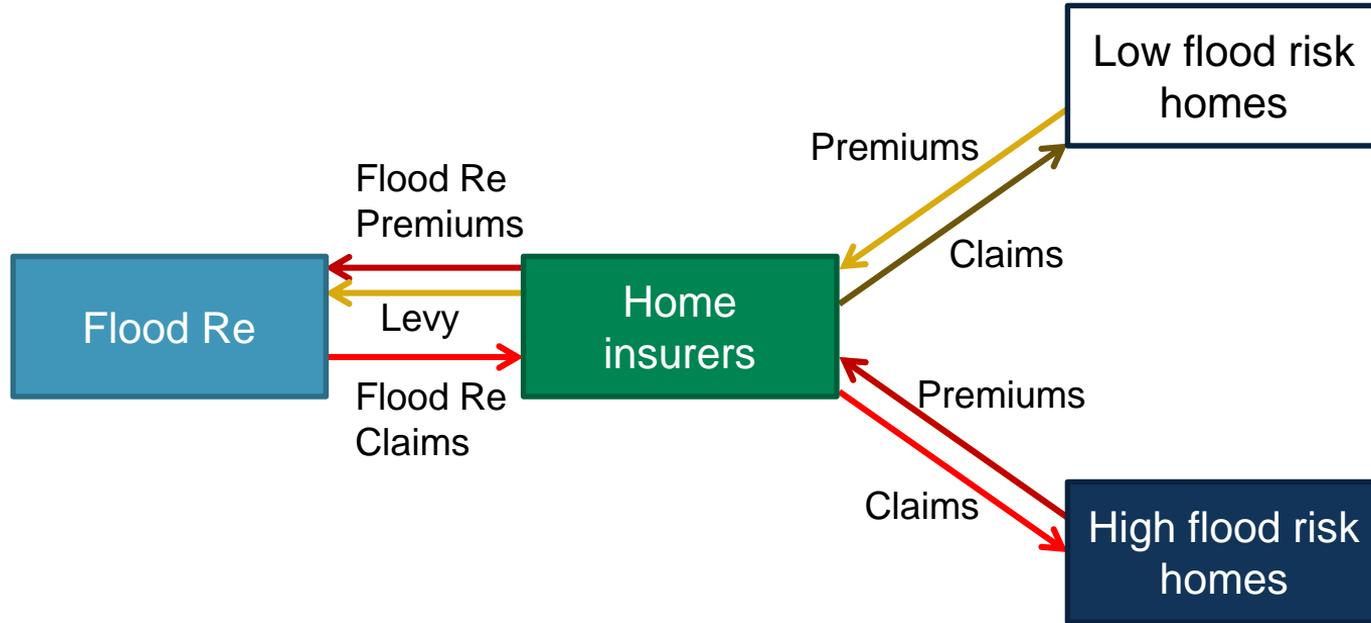
Commercial  
properties

Buy to lets

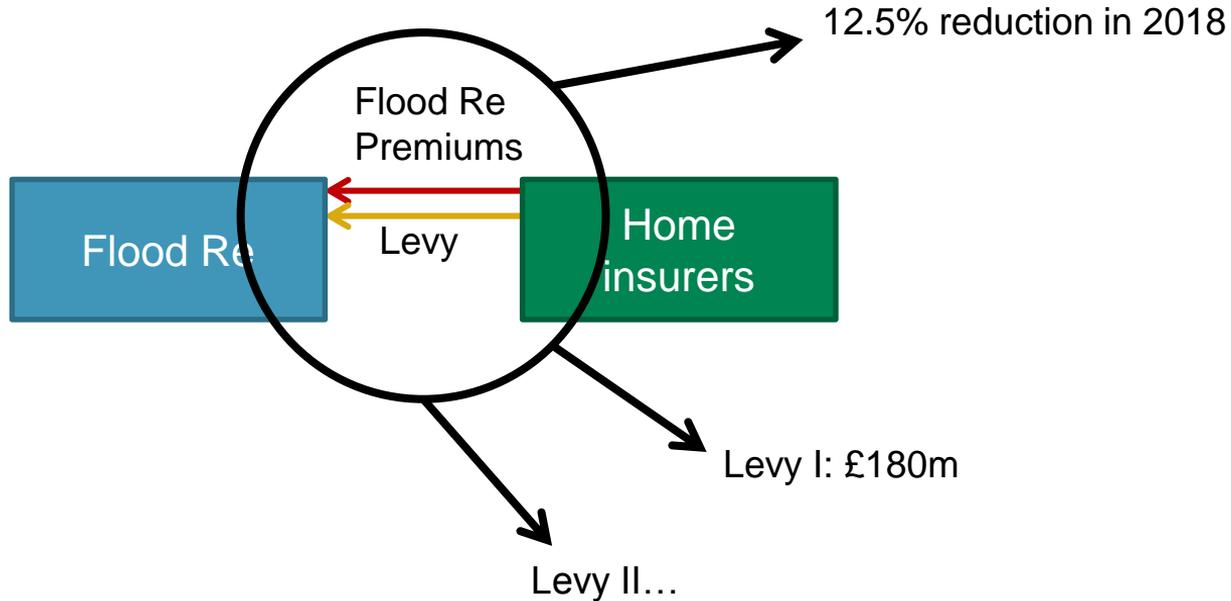


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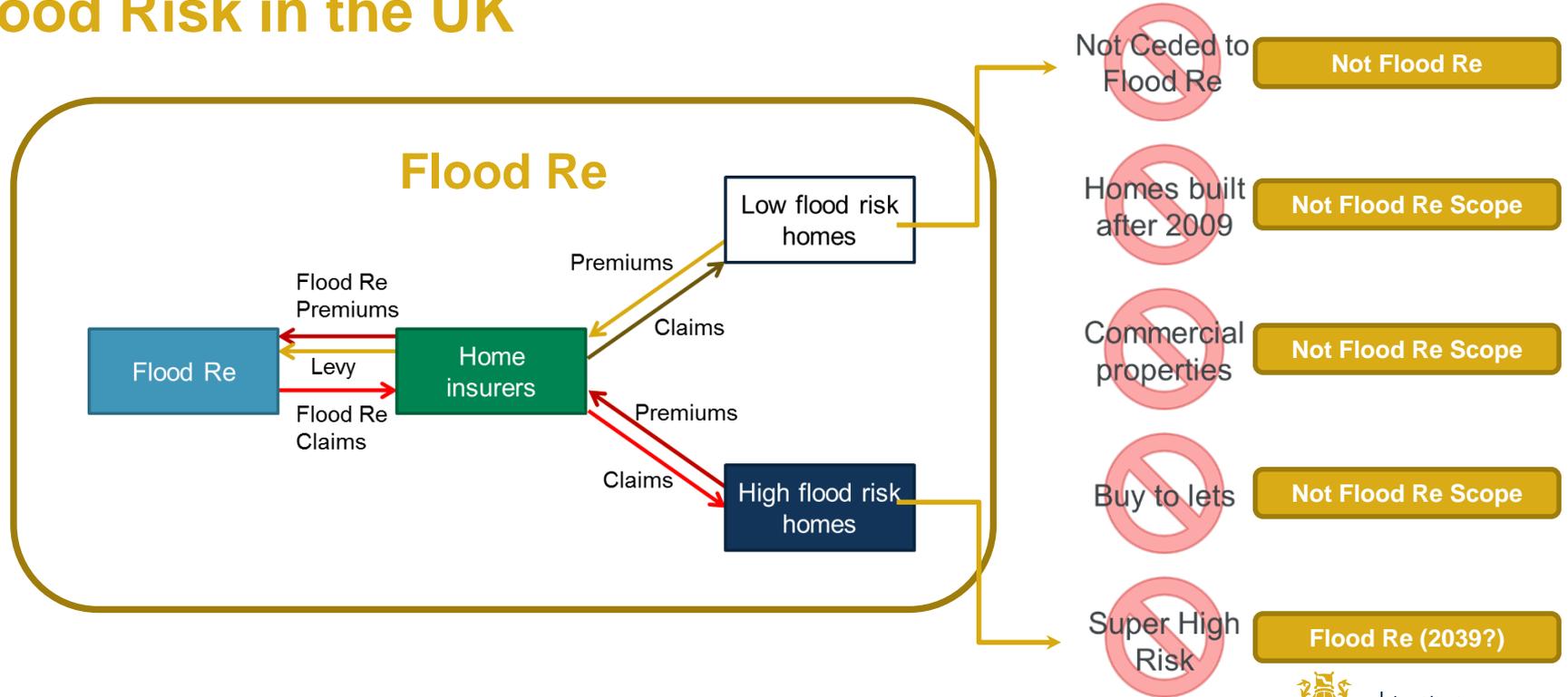
# How does Flood Re work?



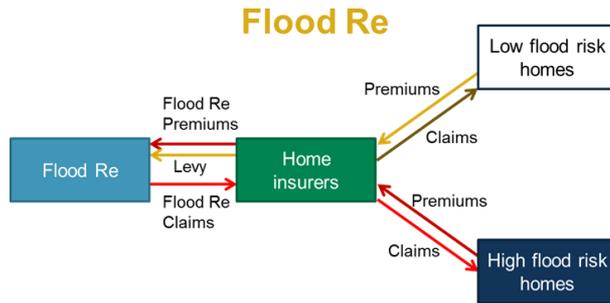
# How does Flood Re work?



# Flood Risk in the UK



# Flood Risk in the UK



- Affordable flood cover for customers? 
- Managed flood risk for insurers? 
- Transition plan and acknowledgement of challenges? 
- Stakeholder engagement on 2039 challenge? 
- Customer & insurer buy-in to resilience and resistance? 
- Customer awareness of flood risk? 
- Buy-in from property developers/local authorities? 
- Pressure to meet home building targets? 
- Climate change adding to the underlying risk? 
- Consistency and predictability of government policy? 



# Flood Re Action

## Action to Date

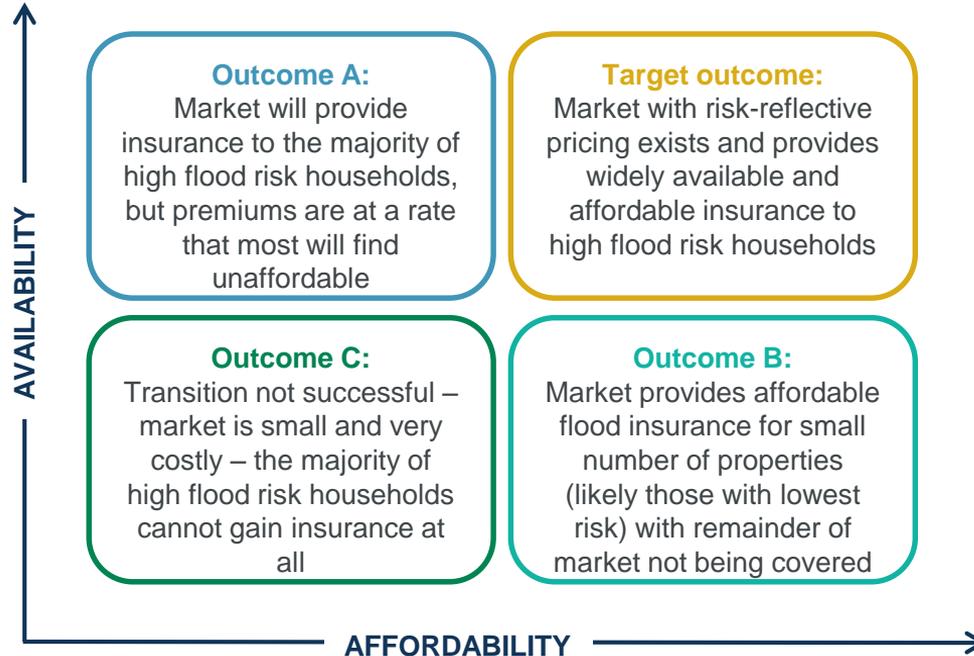
- Raise awareness
- Increase understanding
- Engage widely
  - Additionality
  - Expertise
  - Impact
  - Sustainability
  - Partnership

## Next Steps

- Continue with current work
- Develop the role of Flood Re
- Increasing resilience through resilient repair
- Building social capital and strengthening communities
- Incentivising action from households



# Risks currently ceded to Flood Re must return to “Risk-reflective” pricing by 2039



# A reminder that the inherent risk is growing...and the challenge of risk reflective pricing does too...

## Emissions



Population



Continued development near water



Insufficient defences



Removal of Natural Drainage



# The challenge of “Risk-reflective” pricing by 2039



# Macro & Micro Flood Defences – Survey Responses from 2018 Working Party

	~Facts	~Opinions



# Flood Risk in the UK

Not Ceded to  
Flood Re

- Could be ceded to Flood Re, but insurers choose not to
- Likely to mean that risk based pricing of these risks is within reasonable tolerances for both insurer and customer? Customers can switch insurers.

Homes built  
after 2009

- Excluded from Flood Re scope
- Should benefit from flood defences, resilience etc embedded into building planning, but is this effective? How many properties?



## New Builds

Rush to build new homes will increase flooding, experts warn

**Builders 'behind UK flooding risk'**

Anger as council agrees new homes on flood zone at Claines, Worcester

**Why do we insist on building on flood plains?**

Residents living on new housing estate say they fear homes will flood every time it rains

**Hundreds of homes are built each year despite flood risk objections**



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# Taylor Wimpey, Ruthin, Wales



- Developers were granted planning permission from the council, despite concerns about flooding
- Affected by floods in 2012
- Developers have since put in defences



# Flood Risk in the UK

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Flood Re

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Homes built  
after 2009

- Excluded from Flood Re scope
- Should benefit from flood defences, resilience etc embedded into building planning, but is this effective? How many properties?

Commercial  
properties

- Excluded from Flood Re scope
- Commercial businesses should have the insights & acumen to manage their own Flood Risk. But is this true for Small & Medium Enterprises (SMEs)?

Buy to lets

- Excluded from Flood Re scope
- Landlords should have the insights & acumen to manage their own Flood Risk. But is this true for 'Domestic' or 'Accidental' landlords?

Super High  
Risk

- Very likely to be ceded to Flood Re by insurers
- Flood Re: “continued support for those with unavoidably high level of flood risk” and “minimising the size” of this group. How many is too many?



# Flood Risk in the UK



Not Ceded to  
Flood Re

- Everybody's happy?



Homes built  
after 2009

- Are building regulations & flood defences working?
- How many? How many in flood areas?
- What's the impact of local flood defences? Consequent impact elsewhere?



Commercial  
properties

- Larger businesses have scale, knowledge & incentive to manage risk?
- SME's – should these be considered in scope of Flood Re?
- How many? How many in flood areas?



Buy to lets

- Professional landlords have scale, knowledge & incentive to manage risk?
- Accidental landlords – should these be considered in scope of Flood Re?
- How many? How many in flood areas?



Super High  
Risk

- Everybody's happy, until 2039?
- What is "super high risk"?
- How many? How many is acceptable?



# Themes for the 2019/20 Flood WP to consider...

- Risk based affordable pricing for Flood Risk, in the absence of Flood Re from 2039
  - Continuing the work of the 2018 WP, quantifying Climate Change challenge, looking at resilience/resistance measures & effectiveness etc
- What is the “Super High Risk Pool” and what is our national tolerance for its size?
  - Establishing a ‘risk appetite’ for 2039
- Has Government spending on Flood defences been effective, sufficient and fairly distributed?
  - Understanding, analysis & potential to influence forthcoming spending review
- What is the profile of 2009+ new builds, specific flood defences effectiveness & impact?
  - Building a profile of the ‘out of Flood Re scope’ Flood Risk
- What is the size of the SME/Accidental Landlords exposure and its Flood Risk profile?
  - Building a profile of the ‘out of Flood Re scope’ Flood Risk



# Questions

# Comments

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