

BIBA KEY RESPONSES TO DONCASTER FLOOD REVIEW RECOMMENDATIONS

BIBA welcomes the report into the experiences of many residents and businesses affected by last year's floods and shares the ambition to work with stakeholders to provide quality and affordable products to help those living in flood-prone areas. Alongside efforts to increase the availability and affordability of flood cover,

We are pleased that the detailed report presents positive recommendations which will benefit those most impacted by flood if implemented and used alongside flood repair and prevention measures as well as resilient claim repairs made by insurers.

BIBA would welcome more insurers adopting resilient repairs in line with DEFRA's Property Flood Resilience code of practice and guidance.

	REVIEW RECOMMENDATION	BIBA RESPONSE
1	<p>Re-survey policies without flood cover. Defra should repeat its 2018 survey into the affordability and availability of insurance by 2022. As part of this survey it should assess the proportion of buildings and contents insurance policies that do not cover the risk of flooding.</p>	<p>BIBA agrees that a future national survey should look at the proportion of policies that do not include flood insurance, and the reasons for that.</p>
2	<p>Brokers Unable to Secure Flood Cover Brokers who are unable to secure, or renew, insurance with flood cover for customers who are eligible for Flood Re should always explain to the customer: i) that they have a high flood risk; ii) how they could secure a Flood Re supported policy; and iii) the consequences of buying insurance with a flood exclusion or very high excess.</p>	<p>Brokers are required by the FCA ICOB 6 and the IPID rules to disclose certain exclusions so that a consumer can make a choice whether a policy is suitable for their needs. All distribution channels, including direct and price comparison websites, should ensure exclusions or increased excesses are promoted equally alongside price so consumer can make an informed choice. BIBA believes that a key step to achieve greater coverage for flood is to increase the number of software houses (SWHs) that provide access to Flood Re; currently only three SWHs offer this.</p>
4	<p>ABI / BIBA Code of Practice The Association of British Insurers (ABI) and the British Insurance Brokers' Association (BIBA) should develop a joint Code of Practice for insurers and brokers covering the above measures to ensure that their members comply.</p>	<p>BIBA would welcome the opportunity to develop a voluntary code of practice with the ABI and promote it to its members.</p>
5	<p>Signposting service Flood Re, BIBA and the ABI should establish a new signposting service to ensure that any household that is eligible for Flood Re but denied cover because of flood risk, or offered insurance only with a flood exclusion, can be referred to a specialist broker who can help them secure affordable, exemption-free cover.</p>	<p>BIBA is an active supporter and enabler of signposting through existing agreements on age and protection insurance to increase access to insurance for all consumers and is keen to work with the ABI and Flood Re to extend this to flood. Currently BIBA members can access Flood Re cover through a scheme arrangement.</p>
9	<p>Local Authority Tenant Awareness Local Authorities should ensure that tenants in high flood risk areas are given guidance on i) the range of risks they face in the event of a flood and ii) ways in which they can protect themselves with adequate insurance cover.</p>	<p>BIBA wholeheartedly supports this and would facilitate signposting to its members who can provide specialist support for flood impaired risks.</p>

10	<p>Flood Re Low Income Affordability</p> <p>Government should consider more direct ways to increase the take-up of contents cover for tenants in high flood risk areas. As well as promoting awareness, this should include reviewing the impact of the Flood Re premium for contents-only cover on the affordability of contents insurance for low income households. At £52 for flood cover for Council Tax Band A and B properties, even the lowest Flood Re premium would be a very big uplift on a contents premium (the FCA estimate that the average cost for a new contents policy is £569) and create a cost barrier for low income households who are already making difficult choices about how to ration their spending.</p>	<p>BIBA recognises that affordability issue for consumers occupying properties in lower tax bands and would welcome a review of pricing for contents only cover.</p>
11	<p>Targeted Flood Risk Communications</p> <p>Flood Re, the Environment Agency and the ABI should promote awareness of flood risk to high exposure households and businesses through targeted engagement, which should cover the risk of floods in their area, a simple explanation of flood insurance, a guide to accessing affordable insurance (including through specialist brokers if necessary) and a guide to what to expect from your insurer in the event of a claim.</p>	<p>BIBA supports this recommendation and would facilitate signposting to its members who can provide specialist support for flood impaired risks.</p>