



By e-mail

29 November 2013

Dear Stakeholder,

PUBLICATION OF GOVERNMENT AMENDMENTS ON FLOOD INSURANCE

At Second Reading of the Water Bill on 25 November, Government outlined its approach to affordable flood insurance for those at high risk.

The Government has today published amendments on flood insurance. Accompanying this we have published a revised commentary on the clauses and a revised impact assessment. The powers we are seeking:

- provide a high level framework for introducing an industry-run flood reinsurance scheme called Flood Re. The amendments provide powers for the creation of the Scheme, introduce the concept of a Scheme administrator and show how the chosen body will be designated. The amendments also identify how the scheme will be funded. Finally, they set out the duties of the Scheme administrator in running the scheme. This is our preferred approach.
- As a fallback, provide a high level framework for introducing an obligation on insurers to each insure a proportion of properties in the UK at higher flood risk, as set out in a register. The amendments set out the nature of the obligation, the approach to monitoring and enforcing compliance with the obligation and how the register of properties at high flood risk will be developed. The clauses also enable Ministers to require information to be and shared in certain circumstances, in order to facilitate the operation of the obligation.

The revised IA, along with updates on the Water Bill's progress through Parliament can be found on the Parliament website, through the below link:

Parliament: <http://services.parliament.uk/bills/2013-14/water.html>

Whilst the commentary can be found on the Defra pages of the Government website at:

Defra: <https://www.gov.uk/government/publications/water-bill-commentary-on-proposed-flood-insurance-amendments>

We will also be providing updates on the Bill's progress through Twitter:

Twitter: @DefraWater

Yours sincerely,

Anne Freeman
Flood Insurance, Growth and Resilience

