

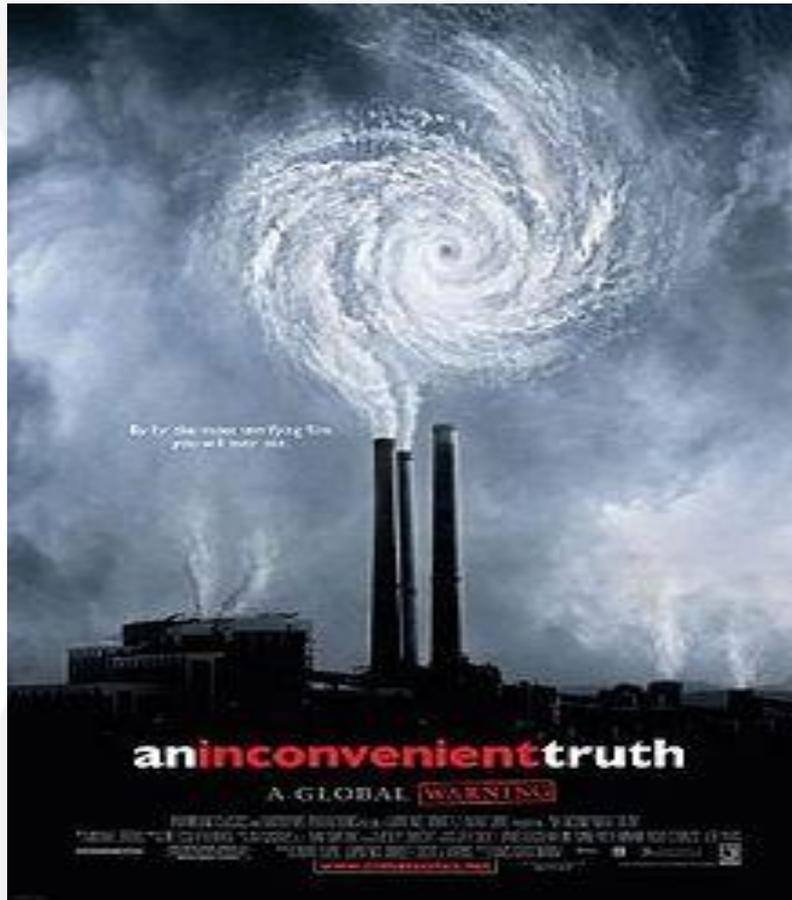


**FLOOD:
BEFORE, DURING &
AFTER**

Mike Bond
12 July 2016
Birmingham Insurance Institute

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» An Inconvenient Truth



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» VIEWS

‘Normal weather is a thing of the past’

Professor Myles Allen – Oxford University

‘The Report issued 2nd November 2014 by the UN IPCC is their most insane and deranged yet’

Piers Corbyn. <http://www.weatheraction.com/>

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» COSTLY

1990 – 2000 £1.5BN spent on flood claims

2000 – 2010 £4.5BN spent on flood claims including
2007 £3.0BN

2012/3/4 £1.7BN spent on flood claims

2015 £1.3BN ABI estimate

Sheffield, Tewkesbury, Gloucester, Cockermouth, Thames
Valley, Calder Valley and Carlisle, – human cost

» PROJECTIONS

- » 3 times more heavy winter rainfall events
- » 40% more local extreme weather events
- » 26-36cm increase in sea water levels
- » Mark Carney, Governor Bank of England 29 September 2015 – Speech to Lloyds

“The challenges currently posed by climate change pale in significance compared with what might come. The far-sighted amongst you are anticipating broader global impacts on property, migration and political stability, as well as food and water security. So why isn’t more being done to address it?”

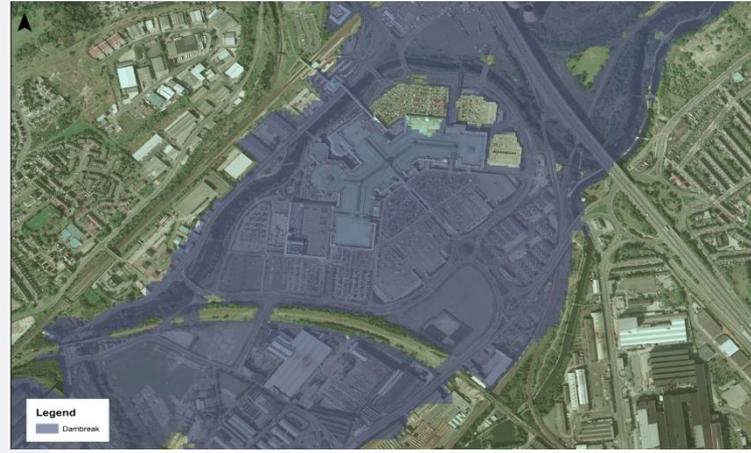
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» FLOOD MAPPING

- » Coastal
- » Rivers & watercourses
- » Surface water run off
- » Reservoir failure
- » Cost projections
- » Example map
- » 23.8 Mn properties not susceptible,
- » 5.2 Mn are of which 2.4 Mn river/coastal and 3.8 Mn surface water – 1 Mn both!
- » No investment, another ½ Mn by 2035

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» JBA RISK MANAGEMENT



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» FLOOD RE

- » Political. Hiccups but finally implemented
- » Went live April 2016 – intended life of 25 years
- » 36 firms participating – 85% of market
- » Accessible & affordable
- » Transitional, but need a step change in Government
- » Bring back competition in the market
- » What if disaster before mature?

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» FLOOD RE – NUTS & BOLTS

- » Low risk & high risks pay levy
- » Insurer can cede flood risk
- » Terms to client variable – competition?
- » Claims stay with insurer
- » MGA/Chimera
- » Shouldn't government be insurer of last resort?

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» SORRY, NOT YOU!

- » Band H/I (Agreement reached to include!)
- » Post 2009
- » Blocks of residential flats but not individual leaseholders
- » Buy to Let
- » Only in if, insured in name of an individual, has a Council tax band, used for residential, individual premium and occupied by policyholder/immediate family
- » SME & any commercial entity

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» DURING

- » Weather warnings
- » Surge plans
- » Alert resources
- » Coordinate site visits, CAT manager
- » Suppliers are doing same

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» IMMEDIATELY AFTER

- » Organised chaos (10,500 adjuster visits in 2015/6)
- » Increased workloads
- » Prioritise visits
- » Alternative accommodation
- » Clean up/drying?
- » Press liaison
- » Backfill existing caseloads

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» POST FLOOD



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» DRYING/STRIP OUT

- » Initial coordination (2 weeks)
- » List & dispose of contents
- » Hack off plaster & strip out (2 weeks)
- » Drying dehumidification (6 weeks)
- » Scope of remedial work
- » Reinstatement (12 weeks)
- » Contents settlement/replacement
- » Snag & return home (2 weeks)
- » 24 weeks reinstatement – on a good day

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» EVAPORATION

- » Really what drying is
- » Different building materials present different challenges
- » Floating floors, timber frames, studded walls
- » Black water contamination
- » How wet is it
- » Weather conditions, occupation of premises
- » 24 weeks reinstatement – on a good day

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» ALTERNATIVES

- » Speed drying
- » Not for every property
- » Dangerous in the wrong hands
- » Other techniques under development
- » Managed strip out
- » Concurrent increase in cost of escape of water claims

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» FLOOD RESILIENCE

- » Government grant
- » Plaster – render
- » PVC
- » Demountable kitchen doors
- » Solid floors
- » High level electrical installation
- » External – gates/air bricks

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» YOUR TURN

» ???

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