

## Flooding

### Summary

AXA, the insurance industry and the Government have a shared objective to ensure that as many homes and businesses as possible are protected and resilient from flooding.

The availability of flood insurance to those householders and small businesses located in flood threatened locations has relied on a 'Statement of Principles', an agreement between the Government and the insurance industry whereby the industry maintains flood cover with the proviso that the Government continues a programme of investment to improve flood prevention. An agreement between the Government and the insurance industry is in place until 2013, after which it is believed that the workings of a competitive marketplace, coupled with the extra Government investment in flood defences in the meantime, will ensure the continued availability of flood insurance to those living in flood threatened locations.

Following substantial UK flood events including Boscastle (August 2004), Carlisle (January 2005), Hull & South Yorkshire (June 2007) and large parts of the South West of England (June/July 2007), the Government asked Sir Michael Pitt to carry out a review of the flood related emergencies which occurred in 2007, to which AXA contributed. His two reports were published in December 2007 and June 2008. All 92 recommendations from Sir Michael Pitt's final report have been accepted by Government and many are being implemented through specific central initiatives while others will be delivered through primary legislation. The flooding in Cumbria in November 2009 has only intensified the need for fresh legislation to help improve the situation for those living with the constant fear of flooding. A new 'flood and water management bill' was outlined in the Queen's speech in November 2009 and given Royal Assent during April 2010.

AXA organised a parliamentary round table event in July 2009, hosted by shadow environment minister Anne McIntosh and addressed by AXA Insurance CEO Philippe Maso y Guell Rivet, at which AXA's flooding manifesto was launched.

AXA welcomes the new flood bill and has lobbied throughout for

- clarification of the role of the Environment Agency and related local authorities
- a prioritisation of surface water flooding issues (over 75% of AXA's flood claims in 2007 were due to surface water drainage issues, and we calculated that an additional £720 million needed to be invested in those towns and cities affected by the floods in 2007 to correct the problems of poor surface water drainage)
- the role of understanding and tackling surface water flooding to be clearly allocated, and
- channels of cooperation between relevant bodies to be strong enough to ensure a coordinated response to surface water drainage problems.

## Other background

AXA has undertaken a number of specific initiatives to promote the issue of flooding including

- publication of a major report on climate change and flooding and its effect on small businesses in the UK (August 2006)
- distribution of a practical guide from small businesses on how to prepare for climate change and flooding (September 2006)
- organisation of a Parliamentary dinner for MPs whose constituencies had been badly affected by the floods in the summer of 2007 (October 2007)
- distribution of a flood risk guide for commercial premises (October 2007)
- setting up a Westminster event to consider the main provisions of a draft flood bill (July 2009)
- organisation of a Parliamentary dinner for MPs to discuss the contents of the flood bill (December 2009)