

PRESS RELEASE

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**Flood Hazard and Insurance in England and Wales:
Update for 2005*****Insurers and Government must work harder to keep flood insurance
viable as climate change increases the prospect of flood hazards***

As climate change increasingly contributes to a pattern of more severe weather conditions in Britain, insurers must work harder to influence public policy on land use planning, building standards and flood hazards if flood insurance is to remain viable in England and Wales. That is the conclusion to an updated report from the Benfield Hazard Research Centre at University College London, entitled: ***'Flood Hazard and Insurance in England and Wales: are there lessons to be learned from Scotland?'***

The 205-page report, which was first published in January 2003, has been updated and expanded in the light of the events of the last two years to include new sections covering flash floods (including Boscastle in August 2004), landslides (including the Shetland landslide in September 2003), the rising groundwater problem (particularly in London and Liverpool) and a general section on participation issues.

The report considers in detail 25 major flood risk problems in England and Wales and examines some solutions, taking into account the examples shown by governments and local authorities in Scotland and other areas such as the US, Canada, Australia, France and Sweden.

The report's author, Professor David Crichton, FCII and Visiting Professor at the Benfield Hazard Research Centre, has advised governments and insurers around the world about flood risks and climate change. He argues insurers should strongly differentiate their underwriting approach in Scotland to recognise that the flood risk there is steadily reducing, while in England and Wales it is increasing dramatically.

Professor Crichton commented:

"As climate change increasingly impacts on the flood hazard and as an increasing number of buildings are constructed on flood plains, near to flashy rivers, or on low lying coastal areas, insurers need to become more involved with public policy issues and greater consultation is needed between land use planners and the insurance industry at a local level as happens in Scotland.

"Societies around the world are going to have to adapt to the future impacts of climate change, and insurers are well placed to work with architects, property developers, the construction industry and planners to ensure that future buildings are not as exposed or vulnerable as those which have been constructed so far."



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Key Flood Facts for England and Wales:

In England and Wales, 1,000km of sea defences protect more than two million people and more than 850,000 properties. In London alone, 150km² of land lies below the high tide level.

In addition, nearly 6 million people live in flood plains, which cover some 10% of the land.

The Foresight project, funded by the UK Government has reported that: *“over the next 100 years, if current levels of expenditure and approaches to flood management remain unchanged:*

- *river and coastal flood risk could increase between two and 20 times;*
- *risk of flooding from rainfall could increase between three and six times;*
- *Annual economic damage could increase from £1billion to between £1.5billion and £21billion by the 2080s, depending on the scenario. This compares with growth of GDP of between two and 14 times over the same period; and*
- *The number of people at high risk of river and coastal flooding could increase from 1.6 million today, to between 2.3 and 3.6 million by the 2080s.”*

Maintaining the current level of flood risk could cost between £20billion - £80billion in total over the next 80 years. However, a steady increase in investment starting now could make future flood management more affordable but there would need to be an annual increase of between £10million to £30million per year for the next 80 years.

Just because the government never pays compensation to people who suffer flooding, does not mean that the availability of insurance cover should be taken for granted. It is estimated that more than 200,000 homes in Britain are already uninsurable due to the flood hazard. Increasingly, people are going to have difficulties in obtaining or affording insurance if their houses are in flood hazard areas, yet in recent years, 56% of local planning authorities have allowed building in flood hazard areas against advice from the Environment Agency. During 2003 alone, there were 600 developments, mostly residential, permitted on flood plains in England and Wales against the advice of the Environment Agency. Of these, 24 were major schemes.

Technical Paper 1, Benfield Hazard Research Centre, University College London, is available free for downloading online at www.benfieldhrc.org/SiteRoot/activities/tech_paper1/flood_risk_and_insurance.htm

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Notes to Editors:

About Benfield Hazard Research Centre:

With close to 60 researchers and practitioners, Benfield Hazard Research Centre is Europe's leading multidisciplinary academic hazard research centre. BHRC comprises three groups: Geological Hazards, Meteorological Hazards & Seasonal Forecasting, and Disaster Studies & Management. The Centre is based at University College London, one of the world's leading universities and, along with Oxford and Cambridge, one of the UK's top three multi-faculty teaching and research institutions. www.benfieldhrc.org

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