

## Business

**SCOTLAND *on* SUNDAY** Sun 2 Dec 2007

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### Storm gathering over floods

TERESA HUNTER

Wash out: thousands of households caught up in the recent flooding devastation face a hike in premiums - if they manage to get cover at all. Photograph: PA

INSURERS are poised to launch a stinging attack on the Government's "fragmented" flood defence strategy after it emerged that more than 8,000 families face a miserable Christmas carving their turkey around a caravan table after last summer's horrific flooding south of the Border.

Although these victims will pay the highest price for under-investment in flood defences and mismanagement, every household in Britain will share the cost.

The AA's household insurance index reported that premiums rose by 3% from July to September, indicating a 12% typical hike over the year. However, tentative figures for the final quarter indicate premiums rose further in October and November, by between 5% and 7%.

The agony piles on once you have suffered a flood. Brokers at the AA couldn't find a single company prepared to offer cover to the many thousands of households caught up in the recent devastation. Where firms were prepared to continue protecting existing policyholders, premiums have typically doubled.

The harsh words of criticism to be delivered by Association of British Insurers director general Stephen Haddrill later this week have come too late to help many flood victims.

Haddrill told Scotland on Sunday: "Britain's flood defences have suffered from decades of neglect and a fragmented approach which simply isn't working. There are too many agencies involved."

That said, insurers believe Scotland's arrangements are superior. Esure's Adrian Webb explained: "Things seem to work better. In Scotland local authorities all have responsibilities for assessing flood risk. Maybe that is what is needed in England."

Without radical change, Haddrill will make it clear that cover could be withdrawn from homes repeatedly at flood risk.

His comments were echoed by Paul Archer-Simms, a director of the Flood Protection Association, which represents flood prevention firms.

He said: "It is bureaucracy gone mad. Developments are still continuing close to rivers, but there is a reluctance to fund adequate flood defences. What money there is, is being spent in the wrong way. Instead of pressing ahead with badly needed defences, the relevant authority has a tendency to commission academic reports. Meanwhile more homes are being built on flood plains which will flood in due course."

Insurers are still reeling from the £3bn mopping up bill after summer floods hit huge swathes of Sheffield, Hull, Worcester, Oxfordshire and Gloucestershire, triggering 165,000 claims.

But in its response to the Pitt Inquiry into those events, the ABI will blame Government mismanagement rather than climate change.

ABI spokesman Malcolm Tarling says: "We are very concerned that there has been no let-up in developments close to rivers. They will not get insurance without adequate flood defences. We also firmly believe that insufficient investment in replacing antiquated drains was a major culprit. In Hull, for example, most of the flooding came up from the drains."

So, how best to protect your home?

### **Low flood risk area**

Do not simply accept a big increase in your premium. If you are not a flood risk but receive eye-watering renewal terms, challenge them with evidence that the prospect of your home heading underwater is remote.

Install security, and fire and flood prevention measures. Good locks, a burglar alarm and membership of a neighbourhood watch scheme can all cut your costs. Check smoke detectors regularly.

Do not over-insure. Know the difference between the rebuild cost of your home and its value. The rebuild cost will usually be lower.

Shop around. Far fewer consumers shop around for their household insurance than for their motor cover.

Buy over the internet to get a discount. Direct Line, for example, cuts premiums by 20% for buying online.

Consider a higher excess. Increasing your excess to £200 can cut 5% off the premium.

### **In flood risk areas**

Your insurer should continue to provide cover for the time being except in the most catastrophic cases. So your only option is likely to be to stay with him. But expect breathtaking hikes in your renewal premium and excess.

If you feel you are being unfairly penalised, try negotiating. Find some evidence which proves that the circumstances triggering the claim will not be repeated.

Study local flood warning news carefully, and act early on any advice. Organise your home so that valuables can be easily moved upstairs.

Still saddled with a huge excess? Then you have no alternative but to insure yourself, by flood-proofing your home.

Modern flood prevention methods are available from specialist flood companies which can be contacted via the website for the **Flood Protection Association** ([www.floodprotectionassoc.co.uk](http://www.floodprotectionassoc.co.uk)) and the National Flood Forum ([www.floodforum.org.uk](http://www.floodforum.org.uk)). However, it is an expensive business.

One sensible step is to fit non-returnable valves on your drains, which can cost between a few hundred and a few thousand pounds. This stops sewage surges. Cheap but effective airbrick covers cost between £40 and £80 and prevent water flooding the cavity wall.

You can install watertight doors to the front, back and patio, costing between £1,500 and £2,000 each. Door guards are a cheaper option but may still cost a few thousand pounds in total.

More drastic solutions include replacing ground-floor wooden boards with a concrete floor and plasterboards walls with breeze-blocks skimmed in concrete. Electric plug sockets should be set higher up walls.

Expect to pay upwards of £25,000 to completely protect your home. However, some local authorities may help with grants.

If everyone in your road or neighbourhood has been hit, get together to install a community defence, which might cost £250,000 covering 50 homes.

Archer-Simms says: "With community defences we build walls to keep the water right away from the property. The difficulty with flood-proofing individual homes is that bricks are porous. Whatever you do the water will get in in the end. Much better to keep it right away."

**This article:** <http://scotlandonsunday.scotsman.com/business.cfm?id=1882312007>

**Last updated:** 02-Dec-07 01:14 GMT