

Is Your Insurer Not Offering You Flood Cover?

Why Do Insurers Not Want to Cover High Flood Risk Properties?

We're frequently contacted by clients whose current insurer will no longer cover them for flooding or who are unable to get flood insurance cover.

Whilst Flood Re has increased the availability of affordable flood insurance cover for many, there has been a significant decline in the number of insurers that are willing to insure homeowners, businesses and landlords in high flood risk areas. Nothing can compensate you for the loss of your possessions, nothing can compensate you for the emotional stress and upheaval that you face when your property is flooded.



Why are some insurers no longer offering flood insurance cover?

There are a number of reasons, including:

- Many insurers have incurred losses from flood claims in the past decade which have had a significant impact on their profitability. As a result of this, many insurers now don't want to cover high flood risk properties.
- Insurers are using increasingly sophisticated data to understand flood risk, which means that they are more accurately able to predict where a flood will happen, meaning many insurers are now declining flood cover for properties that they have previously insured.
- Insurers buy insurance to protect themselves from significant losses, this is called reinsurance. Reinsurance costs have also increased due to the number of flooding events in the past decade. An insurer can accept these costs (passing them onto customers by increasing premiums) or take the decision not to insure properties in high flood risk areas. Many decide the latter.

Shouldn't insurers expect to pay flood claims?

Yes, however like all businesses they need to make a profit too. Flood claims by their very nature tend to be large and can significantly impact an insurers profitability even if they only have a handful of them.

Can an insurer refuse to cover me for flooding at renewal?

Yes, they can, there is no obligation for any insurer to offer you cover for flooding or any other type of risk at renewal.

My insurer covered me for flooding last year so why won't they insure me this year?

It's likely that your insurer has reviewed the data that they use to assess your flood risk and decided that your property is now too high risk for them to cover.

Why is my insurer only offering me a limited cover for flooding?

Rather than providing no flood cover at all, an insurer may restrict your flood cover. They can do this in a number of ways, including:

- Adding a flood excess on your policy – this is the amount that you will pay in the event of a flood claim. For business owners this can be substantial, however you can take out a flood excess insurance policy to cover this.
- Limiting the amount of cover that they will provide you with for flooding. For example, the reinstatement value of your property may be £250,000, but your insurer may only cover you for flooding up to £50,000.

- Co-insurance – where you pay a proportional amount of a flood claim you make yourself. For example if you have 25% co-insurance for flooding and you make a claim for £100,000 you will pay £25,000 of the claim yourself.

Why will some insurers cover me for flooding when others won't?

Insurers commonly use the same data to assess your flood risk, however, they may interpret the data in different ways, and also have a differing appetite for flood risk.

If I have made a flood claim can I still get insurance cover?

Yes, generally you can.

Home owners

If you are eligible for the Flood Re Scheme then you should find it easy to get insurance cover. If you are not covered by Flood Re then finding cover may be more difficult.

Businesses & Landlords

Yes it is still possible but your premium will be higher and your insurer may restrict the amount of cover they offer you.

My insurer won't cover me for flooding does that make me uninsured?

No, it doesn't. However as many insurers use the same or similar data to assess your flood risk, it's not uncommon that if one insurer won't cover you for flooding then others may not either.

If my insurer has refused or restricted my cover for flooding do I need to declare this in the future?

When you apply for any insurance policy your broker or insurer will generally ask you whether you have ever had insurance declined, special terms and conditions or an increase to your premium imposed. As with all questions your insurer asks you, you need to answer this question honestly.

I'm eligible for the Flood Re Scheme but my insurer/broker can't offer me cover for flooding?

Not all insurers are participating in the Flood Re scheme and similarly not all insurance brokers are able to offer Flood Re cover.

Can I buy insurance that excludes flood cover?

Yes its possible to buy cover for risks such as fire theft etc. and we have access to a panel of insurers that offer insurance excluding flood.

What can I do if my insurer won't cover me for flooding?

The best thing you can do is to contact a flood insurance specialist such as Flood Assist Insurance, we're backed by a leading panel of insurers that want to insure properties that have previously flooded or are in high flood risk areas.

Have you got a question that we've not answered? Call our team on **01832 770770**, we'll be happy to help.