

Flood Re launches world first 'Build Back Better' scheme to help householders after a flood

- **There are currently 5.2 million homes and businesses at risk of flooding¹**
- ***Build Back Better* enables flood victims to repair their homes with flood resilience and resistance measures. The scheme allows people, through participating insurers, to claim up to £10,000 for flood resilience over and above the cost of work to repair damage caused by a flood.**
- **NFU Mutual, Aviva, Ageas, Lloyds Banking Group and LV= General Insurance will be the first to join the Build Back Better scheme during 2022 and early 2023.**

Flood Re, the joint initiative between the UK insurance industry and the UK Government to promote the availability and affordability of flood insurance, today announces the launch of a new proposition, 'Build Back Better', designed to ensure homes are more resilient against future flooding.

From April participating home insurers will begin offering customers access to reimbursement costs of up to £10,000, over and above work to repair damage and loss caused by a flood. The funds will pay for the installation of flood resilience measures that will reduce the impact of future flooding helping the United Kingdom to become more resilient to the changing climate, enabling householders to return to their homes sooner following a flood providing vital peace of mind.

The initial participating insurers are:

- **Ageas**
- **Aviva**
- **NFU Mutual**
- **Lloyds Banking Group (Bank of Scotland, Halifax and Lloyds Bank home insurance products)**
- **LV= General Insurance**

Examples of flood resilience measures can include raising electrical sockets and white goods away from floor level, installing self-closing air bricks and flood resistant doors and replacing flooring with waterproof tiling and grout. The reimbursement costs can also include carrying out surveys to understand the flood risk and potential mitigation. Combined with individual action such as moving sentimental items and important documents upstairs when a flood occurs, these changes can help protect householders from the devastating impacts of recurrent flooding and mitigate the financial and emotional consequences.

Adapting to growing flood risk

The introduction of the Build Back Better scheme is a vital step in responding to growing climate-related risks by offering a practical and innovative solution for homeowners and insurers.

But to truly create a more flood resilient economy, it must be combined with other action to ensure widespread adaptation. Government is investing a record £5.2 billion in the flood and coastal

¹ National Flood and Coastal Erosion Risk Management Strategy for England, Environment Agency, 2020

defence programme in England. This will better protect a further 336,000 properties and reduce national flood risk by up to 11%. Government has also committed to publishing a Property Flood Resilience (PFR) roadmap at the end of this year identifying the action government and industry need to take to accelerate take-up of property flood resilience measures and successfully underpin the nascent PFR market.

Andy Bord, CEO, Flood Re, said: “In the UK, since 1998 we have seen six of the wettest years on record², with 5.2 million homes and businesses at risk of flooding. The trajectory will only continue to worsen without urgent, collective action – there is no time to waste. It is vital we encourage and incentivise adaptation among homeowners.

“The insurance industry has an opportunity to show its innovation and responsiveness to consumer need and to make real, tangible change. But to do so, we must throw the traditional principles of insurance to one side. This means thinking of future resilience and building back better after a flood, rather than simply returning a property to how it was before.

“It’s hugely encouraging that five insurers have already partnered with us to offer Build Back Better provisions to customers, and I am encouraged that, together with insurers soon to join, we will truly make a difference.”

Jon Bird, Property Claims Manager at NFU Mutual, said: “Four years ago NFU Mutual was one of the first insurers to adopt flood resilience repairs, so Build Back Better is something we wholeheartedly believe in. Building back a home with resilient measures that protect against future floods provides our customers with peace of mind that if they are flooded again, they can return to their normal lives as quickly as possible.

“As a mutual insurer whose customers are its members, being able to now re-coup some of the costs for these repairs from Flood Re is something that benefits both us and our members.”

Robin Challand, Claims Director at Ageas Insurance, said: “We know from speaking to our customers just how devastating it can be when your home is flooded and at a time when the cost of living is rising, it’s never been more important to protect people from flooding.

“It makes total sense to us that if we can take steps to reduce the damage flooding would cause to a customer’s home if it happened again, we should. We’re proud to be one of the first insurers in the UK to offer Build Back Better.”

Martin Milliner, Claims Director at LV= General Insurance, said: “We’re extremely pleased to be part of the Flood Re Build Back Better scheme. Flooding is an extremely traumatic event which has a devastating impact on a person’s life, both physically and mentally. It’s therefore crucial that we look into how homes can become more resilient to reduce the impact of future flooding and help customers return to their homes more quickly after a flood.”

Owen Morris, MD Personal Lines at Aviva, said: “We’re pleased to support Flood Re’s Build Back Better scheme which we hope will encourage customers to make their homes more resilient to future flooding. Aviva has, for many years, offered flood resilience measures to our customers

² RMets figures [Climate change continues to be evident across UK | Royal Meteorological Society \(rmets.org\)](https://www.rmets.org)

following a flood claim and through our Building Future Communities campaigning, we have called for more incentives, awareness and advice to improve take up, so we welcome this development.

“While flood defence schemes remain the best way to protect whole communities, we believe flood mitigation measures have a vital role to play in reducing the impact that floods can have on families, homes and livelihoods. Taking even simple steps, such as replacing traditional materials with waterproof equivalents, can make a difference and crucially, they can reduce the time it takes to dry out a property, helping customers to return to their homes much quicker.”

Craig Thornton, General Insurance, Protection and Investments Director, at Lloyds Banking Group, said: “We regularly see first-hand how damaging a flooding event can be to our customers’ homes and that’s why we’re committed to helping them to be prepared and protected in case of any extreme weather events.

“As an industry we need to work together to help our customers face into the challenges of a changing climate and we’ll actively campaign for the Government’s planning policy and infrastructure investment to mandate for both flood resistance and resilience measures in all developments.”

Floods Minister Rebecca Pow, said: “We must ensure that our homes are more resilient to extreme weather events. Build Back Better delivers on the Government’s commitment to better protect the country against flooding, and prepare for it.

“Making adaptive measures more affordable will help people across the country. This builds on our record £5.2 billion investment in flood defences between 2021 and 2027, which is better protecting hundreds of thousands of properties from flooding and coastal erosion.”

-Ends-

Notes to Editors

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About Build Back Better

- *‘Build back better’ is the process of putting in place measures, as part of flood repair, that will make a home more resistant or resilient to flooding in the future.*
- *Flood Re’s proposition will enable the reimbursement (up to a limit of £10,000) of costs associated with Building Back Better as part of a flood claim, over and above work to repair damage and loss caused by a flood.*
- *This can include carrying out surveys to understand the flood risk and potential mitigation, the addition of flood resistance measures such as flood doors, and flood resilience measures such as the replacement of damaged parts of the home with more flood resilient materials such as hard floors.*

About Flood Re

Flood Re exists to promote the affordability and availability of flood insurance for homes across the UK. Flood Re's operation promotes a competitive insurance market that customers can take advantage of. Flood Re does not set consumer prices – this remains a decision for insurers to make.

Insurers can place the flood risk element of domestic property insurance with Flood Re at a premium linked to property Council Tax bands. Flood Re sits in the background, with the purchase of the policy and the process of making a claim being unchanged.

The scheme launched on 4 April 2016 as an independent body that is privately owned and operated, whilst also being publicly accountable. Insurers use Flood Re to benefit their customers.

More than 450,000 homes have now benefited from the Flood Re scheme since its launch in 2016, with four out of five homes with previous flood claims experiencing a price reduction of more than 50%. 98% of homes at risk of flooding are now able to access quotes from more than five of the insurance brands backed by the Scheme.

Flood Re has a rating of A "stable" outlook by Standard and Poor's, one of the world's leading independent credit ratings agencies. Flood Re is regulated by the Prudential Regulation Authority and the Financial Conduct Authority (firm reference number: 706046).