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1st December 2025

Llyr Gruffydd MS
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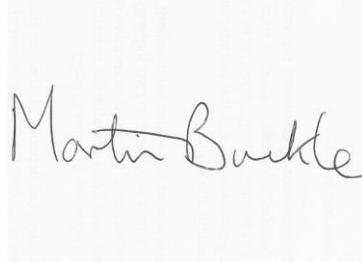
Dear Sir

Wales Flood and Coastal Erosion Committee
Flood Insurance – A Wales Perspective – Consultation Report & Proposals

I am pleased to enclose for your consideration a report which was agreed by our Committee at its meeting on 20th November. The report (para 10.5) does include references to the recent report from your Committee “The Response to Recent Storms.” I hope that you will find the report helpful in future deliberations on this important matter.

Please don’t hesitate to contact me if I can be of further assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Buckle".

Martin Buckle
Chair, Wales Flood and Coastal Erosion Committee

Wales Flood and Coastal Erosion Committee

‘Flood Insurance – A Wales Perspective’

Consultation Report and Resultant Proposals

November 2025

Karen Potter

Wales Flood and Coastal Erosion Committee Member

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List of Acronyms

ABI	The Association of British Insurers
BBB	Build Back Better
BcR	Benefit-Cost Ratio
BRG	The British Red Cross
CCC	Climate Change Commission
CIWEM	The Chartered Institute of Water and Environmental Management
EA	The Environment Agency
FCERM	Flood and Coastal Erosion Risk Management
FPCs	Flood Performance Certificates
FRM	Flood Risk Management
LLFAs	Lead Local Flood Authorities
NFF	National Flood Forum
NFM	Natural Flood Management
NRW	Natural Resources Wales
PCWs	Price Comparison Websites
PFR	Property Flood Resilience
RCG	Rivers and Coastal Group
SAB	SuDS Approval Body
SME	Small or medium sized enterprise
SuDS	Sustainable drainage systems
TAN	Technical advice note
VCS	Voluntary and community sector
WFCEC	The Wales Flood and Coastal Erosion Committee
WG	Welsh Government

1. Background

1.1 'Insurance and Flood Re – A Wales Perspective' (2024)¹ reflected on the current status and limitations of flood risk insurance - within, outside of and beyond Flood Re arrangements. The draft report stemmed from the earlier work of two sub committees. Firstly, the 'Resources for Flood & Coastal Erosion Risk Management in Wales' Final Report (2022)² prepared by the Resources Sub-Committee, in which Proposal 18 recommended that dialogue be progressed with the insurance sector to develop its role in the uptake of property level resistance and resilience. Secondly, the report 'The Case for Change in Legislation and Associated Policy on Flood & Coastal Erosion Risk Management in Wales' (2023)³, prepared by the Policy and Legislation Sub-Committee, had also recommended engagement with Flood Re and the wider insurance industry on standards for building back better after flooding events.

1.2 The draft report 'Insurance and Flood Re – A Wales Perspective' (2024) raised a number of questions, seeking to address the current limitations and inequalities of insurance arrangements. It thus provided an opportunity to return to initial consultees (who had previously responded to the Resources Report) in addition to other interested parties and seek views. The consultation ran 6 weeks from 4/2/25 to 18/3/25. Representatives from the following organisations and bodies have responded: the Association of British Insurers (ABI); the British Red Cross; the Chartered Institute of Water and Environmental Management's Rivers and Coastal Group (CIWEM RCG); Flood Re; the National Flood Forum (NFF); One Voice Wales (the national representative body for community and town councils in Wales); South West Wales Flood Risk Management (FRM) Group and Wales Coastal Groups Forum.

1.3 Following the synthesis of general comments on the report's findings (section 2), the responses to the consultation exercise are collated thematically in sections 3 to 9. These include consideration of the degree of support from the consultees to each of the seven questions raised, bringing additional information or insight into insurance and property flood resilience issues. In the period between the initial consultation exercise on 'Insurance and Flood Re – A Wales Perspective' (2024) and this response, there have been a series of developments regarding flood insurance, that have implications for the potential routes moving forward. Hence section 10 briefly sets out developments across: WG's update to the Technical Advice Note 15 (TAN15): Development, Flooding and Coastal Erosion⁴; the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs detailed response to the NICW report 'Building Resilience to Flooding in Wales by 2050'; the Climate Adaptation Strategy for Wales⁵ and the UK Government's new 'Floods Resilience Taskforce'. Finally, section 11 sets out summary proposals and potential routes forward.

¹ [Insurance and Flood Re: A Wales perspective \[HTML\] | GOV.WALES](#)

² [Resources for flood and coastal erosion risk management in Wales: final report | GOV.WALES](#)

³ [The case for change in legislation and associated policy on flood and coastal erosion risk management in Wales: final report | GOV.WALES](#)

⁴ [Technical Advice Note 15: Development, flooding and coastal erosion](#)

⁵ <https://www.gov.wales/sites/default/files/publications/2024-10/climate-adaptation-strategy-for-wales-2024.pdf>

2. General Comments

2.1 Echoed Concerns

2.1.1 The National Flood Forum (NFF) found the report echoed much of what they find, given their experience when talking to flooded and at-risk people. The NFF reported that they are witnessing more and more people from the categories exempted from Flood Re coming forward, seeking support and advice. The NFF have also noted increasing concern amongst their communities about what is going to happen when Flood Re comes to an end. As most mortgages now outlast the lifetime of Flood Re, the NFF are not seeing evidence that the market will pick up the mantel after the scheme ends, and believe it is critical that we discuss now what comes next after Flood Re.

2.1.2 The British Red Cross (BRC) cited their own key findings regarding the challenge of insurance cover from a UK poll of 3300 people across the four nations of the UK, finding that⁶:

- Of households flooded in the last 5-years, 56% had contents insurance and 51% had buildings insurance
- Of the households who had never been flooded, 75% had contents insurance and 67% had buildings insurance

The BRC felt these findings evidence the “consequences of insurance premiums rising after a flood event, potentially leading to a situation where those who have experienced flooding are less likely to be able to afford insurance cover than those in homes that have never flooded”. Consequently, the BRC “urges government, both national and local, to target resources for flood resilience and recovery effectively for those who need them most”. They further note that “areas that are both low-income and have previous experience of flooding are the most likely to contain uninsured households and should be placed at the front of the queue for publicly funded resilience and recovery support initiatives”.

2.1.3 The report was well received from stakeholders outside of the insurance industry, for example: “eye opening” (Wales Coastal Groups Forum); allowing a contribution to an important agenda (One Voice Wales) and more generally, that it is insightful and a good read (CIWEM RCG).

2.2 Response from the Insurance Industry: The ABI and Flood Re

2.2.1 The ABI referred to Government responsibilities, stating “a fundamental tenet of insurance is that it puts policyholders back in the financial position they were in before damage was sustained. It is not primarily intended to improve recovery and property resilience and so the Build Back Better initiative is a significant step for the industry. Insurers are supporting customers to enhance their property’s resilience after a flood but, as this report acknowledges, the role of the insurance sector in promoting flood resilience must be aligned with the work of government”. The ABI further stressed that “it is the responsibility of both the UK and the Welsh Governments to invest in flood defence maintenance and infrastructure and ensure the planning system reduces inappropriate development in high flood risk areas”.

2.2.2 Flood Re’s response restated the initiative’s context, that 500,000 UK homes have benefitted from the partnership model’s operation, by sharing risk between Flood Re and the commercial insurance and re-insurance markets. However, Flood Re stressed that the scheme’s balance is fundamentally challenged by climate change, that “increasing numbers of countries are finding

⁶ The British Red Cross Poll on Vulnerability and Resilience: Public Awareness and Perceptions of Flood Risk in the UK - <https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/public-awareness-and-perceptions-of-flood-risk-in-the-uk>

insurance and reinsurance for natural catastrophe risks is unavailable, and Governments are increasingly having to step-in to create or underwrite insurance pools such as Flood Re⁷. Hence, Flood Re stated that “the UK and its nations should not assume insurance for flood risk will be available without taking actions to minimize underlying risks, and it is important that future insurability is recognised as one of the outcomes governments are seeking when allocating capital spending or making planning decisions”. Although there are considerable efforts underway to manage risks, “risks overall are increasing due to factors such as climate change or continued building in high-flood-risk areas”. Flood Re commended the Welsh Government (WG) for the implementation of Schedule 3 of the Flood and Water Management Act 2010 and requirements for sustainable drainage systems. However, they stressed in their response that “work remains to be done to ensure that homes and communities are resilient to flooding”.

2.3 Working Together and Support

2.3.1 The ABI stressed that they have engaged with the Wales Flood and Coastal Erosion Committee (WFCEC) since its creation and are always keen where possible to work proactively with the Committee, WG and Natural Resources Wales (NRW) on flood policy. The ABI are very open to progressing dialogue and in agreement that a greater understanding of the issues is welcome. Flood Re also hope that they will be considered a partner in efforts to ensure resilience to flooding. They have detailed a series of studies, on Property Flood Resilience (PFR) home types, Build Back Better (BBB) uptake, and other aspects of PFR, for which they would like to see case studies or information that provide insights into Wales (and other nations). Much of the input to Flood Re projects is coordinated through an Expert Group convened on a regular basis and Flood Re have reached out to the Committee for an industry member to continue to provide insights into Welsh cases.

3. Measures in the National Strategy: Insurance Availability and Affordability

The draft report highlighted that we currently do not have data on the proportion of households or businesses reporting access to and levels of insurance coverage and premiums. Importantly, in addition, there is not a measure in the National Strategy to drive the collection of such evidence or data. Hence:

Q1 Do we need a measure/sub measure on proportion of properties at risk but without insurance in the National Strategy, and should/could this go further than proposed in the Environment Agency (EA) report⁸ in taking on issues, e.g. affordability, refusals and other barriers to accessing insurance?

3.1 Support for the Measure/s

3.1.1 One Voice Wales supported this measure and stated that, subject to mechanisms for data collection, they would also support this going further than the EA’s indicator proposals. The NFF believed “it would be helpful to have some measure and understanding of how many people do or don’t have insurance”. In the NFF’s experience “we don’t really talk about the people who are uninsured. They are hidden”. The BRC welcomed this approach and felt that tracking the proportion

⁷ Flood Re references “The uninsurable world: how the insurance industry fell behind on climate change”, FT, 02/06/24 and “Climate change is showing its claws”, Munich Re, 9/01/2025 [Climate change is showing its claws: The world is getting hotter, resulting in severe hurricanes, thunderstorms and floods | Munich Re](#)

⁸ <https://www.gov.uk/flood-and-coastal-erosion-risk-management-research-reports/measuring-resilience-to-flooding-and-coastal-change>

of ‘at risk yet unprotected’ properties would help draw attention to supporting this vulnerable category. The ABI would support such efforts to provide more data on properties at risk, also noting this would help the ABI understand the scale of underinsurance in Wales.

3.1.2 The ABI also added that “it is important to make and understand the distinction between availability (whether or not insurance can be provided for a property at higher risk of flooding) and affordability (whether the householder can afford to pay the premiums they are quoted as part of their budget)”. The NFF further noting that “affordability is a relative term, for many ‘affordable’ insurance is out of reach.

3.2 Source of Data?

3.2.1 It appeared logical to those outside of the insurance industry, that the insurance industry should supply the data. However, the ABI restressed that they would be happy to work with the Committee and WG on this aim, but that the insurance industry itself is not able to put a number on how many properties do not have insurance cover. Flood Re did not respond as to whether a measure was required, but did emphasise that “insurance uptake is extremely difficult to obtain credible data on” and would also “caution against looking at either Flood Re or insurers and thinking that there is a repository of information out there that would be a ‘silver bullet’. While there are various providers and groups, including Flood Re, that hold useful data, the scope of this data is typically limited and too incomplete to answer wide-ranging public policy questions”.

3.2.2 The South West Wales FRM Group noted that “Lead Local Flood Authorities (LLFAs) have limited data because we do not routinely follow up with residents and businesses about their insurance claims, or work with them on their individual recovery journey, post the immediate recovery stage”. However, they raised the possibility of this being something to “add to the Section 19 report to draw in this evidence and fill the data gaps on insurance coverage and access to BBB” or “could the Section 18 capture some of this data in future years?” If there were to be a more active role for LLFAs, then it was noted that it will require lead-in time.

3.3 Flood Re Statistics

3.3.1 Flood Re re-emphasised their statistics on ‘availability’, explaining that 1000 properties have been tracked across the UK from 2016, including “about 100 properties with flood claims”. Of the latter, in December 2024 all could get more than one quotation, and only a single property since 2021 has “briefly received no quotes”, from which Flood Re concludes that “this indicates that insurance is available to homes in high-risk areas and with claims, and that the issue is that many householders are not taking out insurance (which may have to do with affordability)”. Flood Re has done some analysis on national level market data to understand insurance markets, for which “quoted prices in high-flood-risk areas are 50-55% higher than in lower-risk areas” and a “home in a high-flood-risk area with a flood claim typically sees a jump of about another 50% - meaning these homes typically see prices that are 100-120% higher than low-risk, no-claim properties”.

3.3.2 Flood Re also advised that of February 2025, 20,000 properties in Wales were ceded to the scheme in recent months and 900 claims have been made in Wales to date.

3.4 Mapping High Densities of Uninsured Properties and a Measurable Approach to Flood Risk

3.4.1 The British Red Cross also highlighted “the value of not only tracking the proportion of ‘at risk yet unprotected’ properties, but also mapping areas with high densities of uninsured properties onto

flood risk maps. This would be valuable to help inform both capital investment decisions on new flood defences and also deployment of emergency response resources in the event of floods”.

3.4.2 The ABI would also like to see “a measurable approach to flood risk at government level and a long-term measurable target for reducing the number of properties at risk of flooding”. Otherwise, “without setting measurable and achievable targets on what adequate levels of flood resilience looks like, it is difficult to measure progress”.

3.5 Summary

3.5.1 There is strong support for a measure in the National Strategy for Wales to understand the scale or the number of people and properties who do and do not have insurance or who are under-insured, particularly tracking the at risk, yet unprotected properties. It was also felt that the new measures should differentiate between ‘availability’ and ‘affordability’, ensuring that ‘affordability’ is clearly defined to ensure the cost of insurance cover is considered within reach for low income households.

3.5.2 Further consideration is required on data collection methods, including the possible role of LLFAs through Section 18 and/or Section 19 reports. Data held by the insurance industry is considered too limited and incomplete to address public policy questions. NB The data provided by Flood Re on insurance availability is at a UK level, limited to only 100 in the sample for those at high risk with former claims. It does not address take up (including affordability), nor those ineligible for the scheme. Hence, the consideration of data collection links to Q3/Section 5 concerning research needs.

Additional comments/proposals from consultees for consideration:

- Mapping areas with high densities of uninsured properties onto flood risk maps to inform investment and emergency response resourcing decisions.
- A measurable approach to flood risk in the Strategy, including a long term measurable target for reducing the number of properties at risk of flooding.

4. A Measure in the National Strategy for Uptake and Access to Property Flood Resilience (PFR)

The report drew attention (following the Climate Change Commission, 2023⁹) to the lack of data to assess access to insurance and capital for property flood resilience measures, including take up of Flood Re’s ‘Build Back Better’ initiative. The report questioned:

Q2 Do we need a measure on proportion of properties accessing ‘build back better’ insurance claim payments and installation of PFR resilience measures and to progress dialogue with the insurance sector for data?

4.1 Support for the Measure

4.1.1 One Voice Wales supported the proposed measure. The NFF agreed that a target and measure would be a good idea, in order to see progress and how the scheme is being implemented over time. The BRC note the “ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR”, seeing ‘Build Back Better’ (BBB) insurance claim payments as “a welcome example of such an intervention” and that it

⁹ [Adapting to climate change - Progress in Wales](#)

“would be informative to know the proportion of households that make use of it”. The ABI agree that it would be useful to “see more granular data on the take-up of BBB and PFR measures”.

4.1.2 Both CIWEM’s RCG and the ABI extended the need for data or measures on the evidence of new homes being built to higher flood risk standards as is required as part of planning applications. Developers could help provide standardised information on flood measures, e.g. raised sockets, or flood design standard. This would require wide scale cooperation but would allow insurers to have a better understanding of what measures have been included, and in turn should help homeowners (CIWEM’s RCG).

4.2 Source or Access to Data

4.2.1 Flood Re reported that BBB “is an extremely new program, and data is extremely limited, so will be of little value at this stage”. Flood Re noted that “only 19 properties in Wales had taken up BBB as of January 2025, out of close to 200 eligible claims”. Hence Flood Re’s focus at this point is in improving the uptake as “currently only about 30% of properties offered BBB are taking up the measures” (nationwide).

4.2.2 The ABI felt it was important to note that BBB is not the only or principal way householders can install PFR measures and that responsibility for installing PFR measures extends beyond insurers, typically in the form of government grants and local authority schemes. The ABI note that the government has a key role to play in increasing take-up of PFR and hence feel that the government also has a key role in collecting data on the take up of such measures (also see response to Q7, [section 9.4](#)). Flood Re also noted that “BBB constitutes only a portion of those homes that are fitted with PFR measures, with government-backed and local authority schemes historically making up the majority of installations”. Flood Re also stressed the need for the Government to collect data where PFR measures have already been installed under Government controlled schemes or planning consents.

4.2.3 The South West Wales FRM Group noted (under Q7) that PFR is increasingly becoming the outcome with the best Benefit-Cost Ratio on a high percentage of capital schemes in small to medium communities in rural South and West Wales”. Hence, given the lack of data on PFR, the group felt it “might be beneficial to have more guidance on monitoring the performance of these schemes before and after installation”. They note that “this approach has been embedded into the Natural Flood Management thinking, with most LLFAs seeking to gather data before and after the scheme to feed into the knowledge, data, and evidence base”, and hence suggest that a similar mechanism could be adopted for PFR and insurance”?

4.3 Further Insight on the Poor Uptake of BBB and PFR

4.3.1 Both CIWEM’s RCG and the NFF noted that insurers are not currently under obligation to provide BBB. The ABI also emphasised that BBB is not a universal provision and depends upon individual insurers signing up to the initiative with Flood Re. The NFF noted that the onus is currently on policy holders doing their homework and needing to ask the right questions. Flood Re stated that their messaging to householders “is to check with their insurer when purchasing insurance to ensure it is eligible for Build Back Better. This consumer push will help with embedding BBB throughout the industry and also improving awareness and uptake among households. It is also worth households working with their insurer to understand any BBB-related conditions to ensure their eligibility”. The NFF would like the insurance companies to be more proactive about promoting BBB, rather than the onus being on householders (also see section 6.3.1 below). CIWEM’s RCG suggested that BBB is standardised under Flood Re in order to better help all insurance policy holders.

4.4 Further Proposals for Evidence of PFR Effectiveness

4.4.1 The NFF called for more research on PFR and its effectiveness, stressing the importance of the research being independent. The NFF also cautioned that PFR is often seen as a ‘silver bullet’ and “many people do not understand the limitations”, hence “we need to focus the dialogue on the right solution in the right place for the type of flooding” experienced. The ABI welcomed “any WG activity to gather data regarding properties where resilience measures have been installed in homes, either through PFR schemes or where they have been required as a condition of planning permission” and “therefore join this report in calling for the recent WG review of PFR to be published”.

4.4.2 The NFF further stated that they were not seeing any evidence to date that adding PFR measures to a property decreases insurance costs and felt that insurers’ assessments are not sophisticated enough at the moment. The ABI added that “another important aspect of data collection is the need for further evidence to demonstrate how effective certain PFR measures are materially reducing the impact and financial costs of flooding”. The ABI explained that “collecting robust data and evidence about the effectiveness of resilience measures within and around properties is crucial to helping alleviate some of the concerns insurers have with the use of certain PFR measures, as well as giving confidence to home and business owners that installing certain measures will be worthwhile”. CIWEM’s RCG also noted that insurers use catastrophe models from vendors, hence vendors could also find ways to model improvements, which in turn could lead to savings on householder insurance premiums.

4.5 Flood Re Future Learnings and Collaboration on BBB

4.5.1 The British Red Cross noted the inhibiting effects more generally to PFR through “the inadequacy of national awareness” and the shortage of skills and certification in the construction sector (citing the Bonfield Action Plan¹⁰). Flood Re stated that they would “be looking into those properties that have declined the offer to better understand why and will be sharing learnings once that has completed”. Flood Re believes the issues to be due to awareness of a brand new program but will “endeavour to work with relevant authorities to fix any issues identified”. As “the uptake rate in Wales appears lower than the average, and we will share any insights into this that are relevant to government or the WFCEC, but it is also worth noting that many of the claims are still open and relatively recent (e.g. late 2024 floods)”.

4.5.2 Due to the challenges of collecting property level data on PFR, Flood Re shared information that they are “looking at a framework that can create a smart system that makes best use of the information at key decision points”. Flood Re’s work on Flood Performance Certificates (FPCs) “is intended to serve as a vehicle for the communication of this information to householders and to financial institutions. Flood Re’s FPCs Roadmap lays out the key considerations for FPCs, but it would be a framework that would ideally provide a response to the intent of this question and make use of the two categories of information noted above (BBB/insurer-level, and scheme/government-level)”.

4.5.3 Flood Re believed that “the opportunity at this juncture is to engage with the formation of wider standards, metrics, and practices, and strengthening uptake through a common approach” across the UK. They note that “the PFR industry is small, and keen to tap into as wide a market as possible to help grow their businesses – trying to comply with different rules in different places can become a

¹⁰ The Bonfield Action Plan: <https://assets.publishing.service.gov.uk/media/5a81a13040f0b62305b8ffcd/flood-resilience-bonfield-action-plan-2016.pdf>

barrier to participation. For this reason we would encourage a common rather than fragmented approach”.

4.6 Summary

4.6.1 There was support for measures and targets on the uptake of BBB and wider schemes promoting PFR. The British Red Cross did note in general that the ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR, but the responses did not consider ‘access’ (affordability or ineligibility for Flood Re) to PFR measures by households or businesses in any detail. This could be taken forward by WG (see next section), or as a key implication for further understanding under Q1 and/or Q3.

4.6.2 Flood Re has limited data currently on BBB and is instead focusing on increasing uptake. A key role is seen for Government in collecting data on the uptake of PFR, given that government backed and local authority schemes make up the majority of installations.

4.6.3 There are opportunities to continue the dialogue with Flood Re to understand why properties have declined the offer to implement PFR measures. As BBB is not universally provided by insurance companies, there is also an opportunity to explore whether further engagement is required to make communities at risk aware they need to check with their insurers, or as per the NFF and CIWEM’s RCG respectively, that the onus is placed on insurance companies to be more proactive or for BBB to be standardised.

Additional comments/proposals from consultees:

- More guidance and activity to gather data on the effectiveness/performance of resilience measures that have been installed in homes, including publishing the recent WG review of PFR. Consideration of a similar mechanism to Natural Flood Management, whereby most LLFAs gather data before and after the scheme to feed into the knowledge, data, and evidence base
- Ensuring a common approach across the UK, concerning standards, metrics and practices, to enable the PFR industry to grow.

5. Seeking a More Detailed Understanding of the Issues and Challenges Faced by Communities

The draft report noted that although public access to insurance is recognised at a key driver to resilience in Wales, the dominant focus to date is a one-way provision of information to increase flood awareness and the need for insurance. We are currently not listening and lack evidence on the detailed and complex nature of the issues being experienced in our communities, i.e. those who are aware that they require insurance but facing the challenges of ‘affordability’ or availability of insurance, particularly for properties built from 2009, tenants and businesses sitting outside of Flood Re criteria. Hence:

Q3 Is there a mechanism for opening up lines of communication and collating data to deepen understanding of insurance accessibility, or should this be taken forward as a key research need (including through the WFCEC Research Sub Committee)?

5.1 Support for Further Research on Insurance

5.1.1 The South West Wales FRM Group have acknowledged the “known issues” with Flood Re raised in the report, having experienced tenanted properties in West Wales being at a distinct disadvantage. One Voice Wales was not aware of a mechanism for opening up lines of communication and collating data so would welcome this action being taken forward as a key research need. CIWEM’s RCG do not believe a data set exists within the industry, due to the challenge of attempting to monitor insurance policies that only last one year and the further complication of insurers having different ceding rules to Flood Re. As the ABI cannot break down the home insurance premium data collected by the ABI to a Wales-specific level, they believe that the research need is “worth exploring and is another area where the insurance industry would welcome the opportunity to collaborate”.

5.2 Information from Flood Re

5.2.1 Flood Re restated that insurance is available for those eligible for the Flood Re scheme. However, they have noted two related considerations that are worth government attention. Firstly, that Flood Re use Price Comparison Websites (PCWs) to track availability, and “instances of finding properties that cannot receive any quotes is exceedingly rare (since 2021, only a single property temporarily received a no-quote in mid-2023). This suggests that those who are unable to obtain insurance are not looking in the right places – many sound as if they checked with 1 insurer and assume this represents the entire market”. Flood Re therefore feel that “communications should regularly highlight to householders that they should try to shop around for insurance, especially via PCWs but also via brokers and other channels that give them access to a large number of insurers”. Secondly, affordability. Flood Re stated that “after a flood and making a claim, householders may see a jump in their prices from low hundreds of pounds to high hundreds or a thousand or more”, therefore that householders need to shop around for the best price. Yet “this may be a tipping point from what is affordable for a household to what many struggle to afford, especially after the trauma, disruption, and cost of a recent flood”.

5.2.2 Flood Re noted that prior to their scheme “just over half of these flood-claim homes would have paid thousands of pounds, while the remainder would have been unable to obtain insurance altogether. Flood Re’s subsidy has brought prices down and closed the availability gap, but it was never intended to create a low and unitary price across the market. With the average cost to repair a flooded home now in excess of £70,000, continuing to pay out to repair those homes that keep flooding will start to create a burden on those households that pay into the subsidy”. Flood Re stated that officials have noted “that more households in frequently flooded communities are declining to renew insurance, and that those uninsured households are being financially wiped out if flooded again. It may be worthwhile for public authorities to consider working with affected communities to ensure that households aren’t letting go of their insurance at a critical time”.

5.3 Summary

5.3.1 As the issues raised in the report have been observed by practitioners in Wales (particularly with tenanted properties ineligible for Flood Re), and data is not available from the insurance industry, then research needs are considered worth exploring – and the ABI would welcome the opportunity to collaborate.

6. Resources Required for Targeted Engagement

The report highlighted the current work by NRW in providing insurance guidance but notes the Blanc Report (2020) recommendations that there should be targeted engagement by Flood Re, the ABI and the EA (NRW in Wales) to promote awareness to high exposure households and businesses, particularly in less affluent areas. Furthermore, that the demographics and tenancy rates of affected areas should be reviewed by Local Authorities to ensure an appropriate response mechanism is put in place. Hence:

Q4 Do we need to allocate resources to target insurance guidance, progressing dialogue with the sector to understand the need and target engagement?

6.1 Support for Targeted Engagement

The British Red Cross cited their UK polling evidence¹¹ that “nearly half (48 per cent) of those who have experienced flooding in their home within the last 5 years say they have not seen any information about flooding in their area”. The poll also found that “people in the most deprived areas have lower confidence in their understanding of flood risk compared with those in the 20 per cent least deprived areas”. South West Wales FRM Group have experienced tenants often lacking “knowledge about the risk of flooding, even when living next to rivers, which results in underinsurance and their inability to have robust contents-only policies”. The Group noted some short term, targeted work post Storm Callum (Oct 2018), working with landlords to highlight the issue with tenants. One Voice Wales stated that targeted engagement would be welcomed, CIWEM’s RCG agreed with this need. Flood Re stated that they support communication efforts that reinforce the importance of homes having insurance, and “believe that focusing efforts on certain key messages – shopping around, the importance of insurance, and not letting insurance lapse after flooding or making a claim, are important” (but did not reference ‘targeted’ insurance guidance).

6.2 Existing Engagement and Collaboration

6.2.1 The ABI stressed how active they and the wider insurance sector already are “in sharing insurance guidance and engaging with the public, elected representatives and government officials”. Activities include regularly distributed guidance ‘Responding to Floods: What You Need to Know’/ ‘Ymateb i Lifogydd Beth Sydd Angen i Chi ei Wybod’, developed in association with the National Flood Forum¹². This guidance is shared with MSs and MPs in constituencies and regions that have experienced flooding, alongside specific information on how constituents can access affordable flood cover (such as going through a specialist broker). Such advice and guidance are also shared at various community events, the ABI having been attending community flood network events organised by NRW since 2018. The ABI also recognise the concerns raised in the report “about difficulties some communities face in understanding sometimes complex insurance information”. They are also committed to helping improve financial literacy in the UK, with a broader guide to “Clear Communication with Fairer Finance” and Advisory Partnership with Plain Numbers, such initiatives aiming “to make financial services communications more accessible and could be harnessed to help people understand what they are covered for and what to expect from their insurer”. Flood Re have also attended the session in March 2025 organized by NRW in Merthyr Tydfil, “to help the community understand its options after recent flooding. We will continue to try to join sessions of this

¹¹ See the Red Cross Poll: <https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/public-awareness-and-perceptions-of-flood-risk-in-the-uk>

¹² See: <abi-responding-to-floods-guide---national-flood-forum.pdf> and <abi-guide-to-responding-to-floods---welsh.pdf>

nature and support communities however we can, recognizing that we are a small team with limited resources”.

6.2.2 The British Red Cross noted that local authority partnerships with the voluntary and community sector (VCS) and community organisations “can provide an effective line of communication to the underserved groups they work for”. One Voice Wales also state their support, that they “would be pleased to distribute communications to the Community and Town Council sector in Wales to support communities that are at risk”. The Wales Coastal Groups Forum will be taking up and considering targeted engagement within their community and engagement plans. The ABI were again emphatic that they are open to working together and progressing the dialogue. They stressed that the “community structured flood awareness events are an excellent opportunity to aid better understanding”, they encourage “more such events in areas specifically affected by recent flooding”, and more specifically “Committee member attendance, as a channel for providing more targeted advice and support”. The ABI also recommended that the Committee consider “what other trusted voices and channels could be used to distribute information on flood insurance to those communities at higher risk of flooding”, by “identifying the organisations and figures most trusted by communities, including their elected representatives, local authorities, community flood networks and advice bodies such as Citizens Advice Cymru as an important part of the dialogue”.

6.3 Further Recommendations for Targeted Engagement

6.3.1 CIWEM’s RCG noted that engagement is also required specifically with BBB, as many customers who are offered this refuse, which is seen as a big problem. Whilst targeted engagement is important, the National Flood Forum (NFF) noted (as per section 4.3.1) that not all policies of those companies that are in the scheme are included, hence “it is vital that policy holders do their own homework” and ask the right questions. Hence, the NFF would like to “move to a scenario where the insurance companies are being much more proactive about promoting BBB”.

6.3.2 The ABI raised the need to improve flood risk awareness at the time of buying a home. They noted the work being undertaken by Flood Re on Flood Performance Certificates (FPCs), which they believe is a “good starting point to increase buyer awareness about their flood risk, alongside measures they could take to improve their flood resilience”. CIWEM’s RCG however questioned if FPCs will impact property prices, whether FPCs would only be required on new homes (the scope is uncertain at present) and to what extent a homeowner can decrease their own flood risk (for which BBB will work better for smaller floods). The NFF were also unclear at this point if FPCs will help or alternatively “push people into flood blight”. The ABI added that in some cases guidance would be “better targeted towards groups other than the general public”. As Flood Re operates on a business-to-business level with insurers rather than directly with customers buying property insurance, then whilst consumer awareness of Flood Re is useful, it is not essential for buying property insurance. The ABI would advocate better engagement with groups such as the construction sector to facilitate improved understanding of PFR.

6.4 Summary

6.4.1 Respondents have experienced communities lacking knowledge in high risk areas and welcomed the proposal for targeted insurance engagement. Greater consideration of trusted voices and channels has been advised, and proposals and guidance have been offered as to Local Authority and VCS partnerships. The efforts with engagement to date have been praised, but more events have been called for in areas specifically affected by recent flooding.

Further comments and proposals:

- Further engagement required for BBB
- The need to raise flood risk awareness at the time of buying a home
- Targeted guidance and engagement with the construction sector on PFR

7. Financial Support or Reduced Insurance Premiums

The Climate Change Commission (CCC) (2023) recommended the provision of financial support and access to insurance for smaller businesses and poorer households to gain reduced insurance premiums. Defra previously stated they would explore approaches to “encourage uptake”, but we lack evidence of any such approaches to date. Hence:

Q5 Do WG need to monitor/scrutinise other approaches forthcoming from Defra, are there other UK led mechanisms or does WG need to take the initiative on providing support?

7.1 Support for Financial Support to Access Flood Insurance

7.1.1 The British Red Cross (BRC) welcomed the CCC recommendation to provide financial support to lower income households to better access flood insurance. Or in the absence of such an approach it is “even more important to ensure that existing resources for flood defence and recovery are well targeted”. One Voice Wales believed it would be sensible to monitor or scrutinise other approaches from Defra and to carry out further research on any other UK led mechanisms. The BRC are “not aware of Defra initiatives specifically targeted at addressing this need” and “would welcome a Welsh Government initiative on providing support to low-income, high flood risk communities where insurance coverage is low”. One Voice Wales also believed that going forward there is clearly a leadership role for WG in taking any initiatives forward.

7.2 The Co-ordination of Approaches

7.2.1 The ABI and Flood Re focused on co-ordination of approaches. The ABI believed there is merit and encouraged a coordinated and joined-up approach, to ensure learning from other existing programmes in other parts of the UK. The ABI drew attention to the new National Flood Resilience Taskforce¹³, “that works to ensure the UK’s preparedness and resilience to flooding”. They also noted the EA commissioned “Floodproof: an action plan to build resilience”, which is an independent review of PFR (the ABI being part of its stakeholder steering group). The ABI encouraged “WG to closely scrutinise such reviews and action plans and compare this to its own review of PFR that is still to be published”. Flood Re also referred to property resilience in their response, “in terms of building practices and planning standards”.

7.3 Summary

The monitoring of approaches from Defra, or in the absence of such approaches, WG led financial support was welcomed by non-insurance industry consultees. The ABI and Flood Re focused on co-ordination and learning from national level approaches, including the new National Flood Resilience Taskforce. (In the terms of reference for the new Taskforce, it is stated that the taskforce “may

¹³ See: <https://www.gov.uk/government/groups/floods-resilience-taskforce>

review” the “the identification and views of preparedness of the most vulnerable areas as well as actions to support the most vulnerable groups” as one of the themes¹⁴).

8. A Need for a Greater Understanding and How to Support Those Outside of Flood Re Criteria

The exclusion of development from 2009 onwards from Flood Re was to support the principle of discouraging further development in areas at high risk of flooding (through planning policy/TAN 15). Yet we lack data in Wales on how many properties have been built from 2009 in areas of high flood risk. Researchers (Sakai and Yao, 2023) have called for a new scheme focused on SMEs and home-based businesses. Hence:

Q6 In addition to post 2009 development, as the Insurance Industry itself recognises, we need a greater understanding of how many householders are affected, what can be done (and what needs to be done) to help those outside of current flood re eligibility criteria, or question whether the eligibility criteria are still relevant?

8.1 Support for Greater Understanding

8.1.2 The British Red Cross (BRC) noted that the “ineligibility for Flood Re coverage for properties built after 2009 raises an equity issue that negatively impacts a growing proportion of households over time”. The National Flood Forum (NFF) stated that they are indeed “seeing more and more people from the categories that are excepted from Flood Re coming forward seeking support and advice”, which the NFF believe is a growing issue, “particularly from those in homes built after 2009, small businesses, and multiple dwellings in one building”. One Voice Wales agreed, that “further information is needed to understand the current picture of effect...from this further work can be undertaken on assessment as to whether the eligibility criteria needs review and amendment”. The ABI stated that “greater understanding of householders’ situations is always welcome”.

8.2 Review of the Eligibility Criteria

8.2.1 The BRC noted the significant proportion of new-build development being situated on flood plains, and that “mandating the inclusion of new properties could lead insurance companies to raise premiums. This presents an unwelcome ‘Sophie’s choice’ for policy makers of whether the inequity should apply to those with newer homes or those with lower income. Neither of these options are tolerable, underscoring the need for public intervention for the uninsured”.

8.2.2 The ABI stressed that the current eligibility criteria are relevant, restating the aim of purposefully excluding properties built after 2009 from the scheme to ensure inappropriate building in high flood risk areas was not incentivised, and emphasised that “this still applies”.

8.2.3 The ABI stressed that home and business property insurance “are very different things, and home insurance is a simpler product. It is not possible or appropriate to extend Flood Re to cover businesses”.

¹⁴ See p2, under focus areas:

https://assets.publishing.service.gov.uk/media/67dd924b64220b68ed6a6fa1/Terms_of_Reference_-_Flood_Resilience_Taskforce.pdf

8.3 Implications of the Current Eligibility Criteria for New Homes and Flood Defence Funding

8.3.1 Flood Re stated that “our clearest message for government is that planning must fully take into account flood risk and require that new homes are being made resilient if built in areas of flood risk”. Flood Re have undertaken focus group work that “has shown that buyers of new homes believe that flood risk will have been accounted for in the planning process”. Flood Re noted Wales’ implementation of Schedule 3 and practices to ensure enhanced flood resilience for homes “is a major step, but all steps need to be taken to ensure that new build homes are made flood resilient – the paper notes that data is not being collected on homes built in flood zones”. Flood Re would be interested to have further discussions to understand how a Flood Performance Certificate can fit into the SuDS Approval Body (SAB) process and any key considerations.

8.3.2 The ABI also emphasised that the “Government funding of flood defence infrastructure and maintenance, as well as increased up-take of PFR, will also help those households not eligible for Flood Re”. Flood Re reiterated the importance of flood defences; “insurance availability and its pricing is directly impacted by government decisions on the level of flood defence investment. Continued investment is fundamental to achieve desirable market outcomes and indeed, any reduction in flood defence investment will have a significant impact for households, insurers, reinsurers, and of course, Flood Re”.

8.3.3 The ABI noted that the British Insurance Brokers Association (BIBA) operates a commercial property flood insurance scheme for SMEs with assets of up to £1m¹⁵. This features flood only cover for either a £25,000 or £50,000 limit in the aggregate in the period of insurance and a defined amount of cover for immediate and necessary expenses incurred following a flood.

8.4 Summary

8.4.1 A greater understanding of how many householders and others ineligible for Flood Re was welcomed, as this was seen to be a growing issue. The eligibility criteria were viewed as still relevant or raising a difficult choice for policy makers as to whether inequity should apply to those with post 2009 homes or those with lower income. Instead, the need was seen to be for public intervention for the uninsured. The challenges of ineligibility also shifted the emphasis to 1) planning taking into account flood risk (and the monitoring of properties built in areas of flood risk) and 2) levels of government funding of flood defences and PFR.

8.4.2 Attention was drawn to BIBA’s commercial property flood insurance scheme for SMEs. However, this does not offer subsidised cover (as per Flood Re), and the question remains as to the need for a new scheme focused on SME’s and home businesses.

Further comments and proposals:

- Discussions with Flood Re to understand how a Flood Performance Certificate can fit into the SAB process.

9. Consideration of Revisions to the Wales National Flood Strategy

The Wales National Flood Strategy (2020) states that it “remains the responsibility of a home or business owner to have adequate insurance cover against flooding”¹⁶ (WG, 2020, p31). Premium

¹⁵ See: <https://www.biba.org.uk/members/biba-schemes/commercial-property-with-flood-cover/>

¹⁶ WG FCERM Strategy (2020): <https://www.gov.wales/sites/default/files/publications/2021-03/the-national-strategy-for-flood-and-coastal-erosion-risk-management-in-wales.pdf>

levels reflect the level of risk, hence risk needs to be reduced to ensure insurance is affordable. Other stakeholders beyond the insurance industry hold responsibility for planning policy and the location of new development, building regulations for PFR, flood defence capital and revenue funding, broader policy on climate change and social equity. Hence:

Q7 Should a revised Wales strategy acknowledge the wider responsibilities and complexities to enable “the responsibility of a home or business owner to have adequate insurance cover against flooding”, including maintenance of TAN15’s strong stance on development of buildings in current and potential flood zones, PFR and other resilience being mandatory in planning rules (building regulations) and an ongoing dialogue with the insurance industry for a revised (more inclusive) Flood Re scheme?

9.1 Support for Revisions to the Strategy, to Acknowledge the Wider Responsibilities and Complexities

9.1.1 One Voice Wales agreed that wider responsibilities and complexities should be acknowledged. The ABI welcomed the report’s acknowledgement of the wider role WG must play in ensuring climate resilient buildings, noting this is especially important “given that Flood Re is a time limited scheme, there is a continued need for engagement to ensure sufficient investment in flood defences and an effective planning and building regulatory framework for resilient homes in the future. It is clearly better to protect properties from flooding before it is needed, rather than stepping in once it is too late”. The ABI highlighted NRW data¹⁷, which “makes for sobering reading, showing that 1 in 7 homes in Wales are at risk from flooding – a figure set to increase by more than a third as a result of climate change”. The ABI noted the “positive steps taken by Welsh Government, such as legislation to make Sustainable Urban Drainage Systems mandatory in all new developments of more than one dwelling house or over 100 square meters”. This is an area that the ABI “are encouraging the rest of the UK to look to Wales as an example”. However, the ABI see two key areas “within the gift of the Welsh Government”. Firstly, “the urgent need for a more robust planning system and policy on development in flood risk areas. Secondly, we have long called for increased government investment in flood defences and property flood resilience (PFR) measures”.

9.2 A More Robust Planning System and Policy on Development in Flood Risk Areas

9.2.1 Flood Re supported “maintaining a strong stance on development of buildings in current and potential flood zones, and ensuring that planning for those homes built in at-risk areas have the necessary measures to mitigate them”. The ABI stated, “reforms to the planning system must be made with adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure”. The ABI called for “an increased focus on the importance of climate resilience and current and future flood risk when considering where homes are built”. The ABI noted the Cabinet Secretary’s stated intention to publish the revised Technical Advice Note 15 (TAN15): Development, flooding and coastal erosion this spring, and would like to see this further embed climate and flood resilient development into the planning system”. (TAN 15: has since been published, on the 31/3/25¹⁸).

¹⁷ NRW Annual Report 2023 to 2024: <https://naturalresources.wales/evidence-and-data/research-and-reports/flooding-reports-evidence-and-data/flood-risk-management-annual-report-2023-2024/?lang=en#:~:text=In%20Wales%20there%20are%20estimated,through%20the%20activities%20we%20do>

¹⁸ Technical advice note (TAN) 15: development, flooding and coastal erosion has since been published by WG (31/3/25): <https://www.gov.wales/technical-advice-note-tan-15-development-flooding-and-coastal-erosion>

9.2.2 The ABI also noted concerns that “currently National Resource Wales (NRW) can object to a planning proposal, but we are not aware of a responsibility for local authorities to report whether that feedback has been taken into account, such as requiring the planning application to be amended to improve measures to protect against flood risk to fulfil NRW’s concerns”. The ABI thus supports “a clearer, more transparent process, which would provide reassurance to insurers and local communities who are often concerned about the potential impacts of new developments”. The ABI also stressed more broadly that “insurance should be given greater consideration when granting planning permission”.

9.3 Increased Investment in Flood defences

9.3.1 The ABI stated that the “primary funding responsibility for flood risk management schemes must be the responsibility of Welsh Government in its role of protecting citizens and communities. This is not a responsibility that can or should be passed off to others, including insurers, whose role is to ensure they have the requisite capital to pay claims should the worst happen”. The ABI continue that “there needs to be a policy response that promotes the resilience of those properties most at risk of flooding and continued investment in flood risk management infrastructure”.

9.3.2 The ABI welcomed the commitment in the Welsh Budget 2025-26 to “maintaining flood funding of £75 million per annum through the Flood and Coastal Erosion Risk Management Programme”. But the ABI also noted “the recent NRW Report¹⁹ which found that keeping funding at current levels results in over 18,000 additional properties remaining at High Risk and residual damages increasing by £800 million. Keeping pace with climate change everywhere requires 3.4 times current funding levels”. The ABI stressed that spending on flood defence infrastructure is extremely cost effective. The ABI referred to Fathom’s research²⁰, commissioned by Flood Re, that “shows that flood defences can save households alone £1.15 billion by mitigating damage each year” and previous research by the ABI, Flood Re and JBA that highlights that every £1 spent on flood defence maintenance saves £7 in capital spend²¹. CIWEM’s RCG also stressed that the maintenance of flood defences is key. The ABI also urged WG to implement the commitment in its Programme for Government to deliver nature-based flood management and implement the Natural Flood Management (NFM) Accelerator (2023-2025) to accelerate delivery of NFM interventions.

9.3.3 The ABI and insurers would also welcome access to data/information on the maintenance status of flood defence infrastructure managed by local authorities, to better understand flood risk and mitigation measures.

9.4 Increased Uptake and Investment in PFR

9.4.1 The ABI noted, “flood defences cannot of course prevent every single property from flooding and so it is also important to increase the uptake of PFR measures so that individual property owners can make their homes and businesses more flood resilient. Integrating flood resilient measures into new homes, such as raised plug sockets, air brick covers, and flood barriers, would help make homes and businesses more flood resilient”. The ABI disagreed with the report’s statement that

¹⁹ <https://naturalresources.wales/evidence-and-data/research-and-reports/flooding-reports-evidence-and-data/long-term-investment-requirements-for-flood-defences-in-wales/?lang=en>

²⁰ <https://www.abi.org.uk/news/news-articles/2025/2/more-action-needed-to-protect-properties-as-adverse-weather-takes-record-toll-on-insurance-claims-in-2024/#:~:text=Research%20by%20Fathom%2C%20commissioned%20by%20is%20saved%20in%20capital%20spend>

²¹ <https://www.abi.org.uk/globalassets/files/publications/public/flooding/modelling-the-impact-of-spending-on-defence-maintenance.pdf>

householders without insurance cannot progress to the recovery and resilience stage²². They believe this is not the case as additional costs to improve a property's resilience after a flood would usually need to be funded by the customer or by a government grant.

9.4.2 The British Red Cross (BRC) also “urge the Welsh Government to continue to ensure planning regulations mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk”. The BRC also note the Town and County Planning Association’s finding²³ “that this may require support to local government planning departments to ensure they have the resources and skills to apply them”. The ABI proposed that WG could increase the installation of these measures by moving the necessary PFR measures to be handled through building regulations, rather than planning. The ABI believe that a basic level of PFR in building regulations would be an efficient, mandatory route to secure minimum standards.

9.4.3 The SouthWest Wales FRM Group also felt that particularly “if there is a lack of data on PFR and insurance, we need to implement more PFR schemes and work with businesses and residents to gather the missing data” and suggested WG implements a “PFR accelerator scheme”, or to fund “post-events in support of PFR”.

9.5 Revisions to the Flood Re Scheme

The BRC expressed the view that achieving universal flood insurance coverage would be desirable, but whilst “ongoing dialogue with the insurance industry seeks a solution to this problem, public funds and resources for flood resilience and recovery should be well targeted to support areas worse affected by flooding and deprivation-linked inability to afford insurance premiums”.

Flood Re stated that the “continued achievement of our purpose will require active management of risks”, furthermore that “seeking to expand the Flood Re scheme to include categories such as post-2009 properties which are being proposed specifically because of concerns that they may be high-risk, would exacerbate the challenges being faced by the scheme. This could substantively alter the subsidy structure in the scheme, with potential unintended consequences to the detriment of communities whose insurability is currently being maintained by the scheme. As outlined in our responses to the previous question, we would urge that government consider in the first instance the actions it can take to actively manage physical risks. By an active strategy of containing physical risk through planning controls, flood defences, and other mechanisms such as PFR, the Flood Re scheme can continue to manage the financial risks that are becoming increasingly challenging”.

9.6 Summary

9.6.1 Respondents believed the wider responsibilities and complexities affecting individual householders’ ability to have adequate flood insurance should be acknowledged. A robust planning system and increased investment in flood defences and PFR were seen to be within ‘the gift’ of WG. Insurance should be given greater consideration in planning and a robust planning system needs to undertake adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure. Primary funding responsibility for flood defences must be the responsibility of WG in its role of protecting citizens and communities, a responsibility that cannot be passed off to others, including insurers, whose role is to ensure they have the capital to pay

²² The report (section 4.2.1, p12) has been edited to clarify meaning in response to the ABI, to “any householders in Wales without unable to gain insurance, unable to afford their own PFR measures or access a government grant, means they cannot progress to the recovery stage and resilience”.

²³ <https://www.tcpa.org.uk/wp-content/uploads/2024/08/TCPA-Delivering-Flood-Resilience-Report-Sept-2024.pdf>

claims should the worst happen. As flood defences cannot prevent every single property from flooding, it is also important to increase the uptake of PFR measures. Planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk, which requires resources for planning departments (including skill sets). The installation PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations.

9.6.2 As per Q6 Section 8.2, Flood Re eligibility criteria should not be revised, however access to insurance should be universal. In addition to the emphasis on WG's management of risk to ensure access to insurance, public funds and resources for flood resilience and recovery should be well targeted to support areas worse affected by flooding and poverty-linked inability to afford insurance premiums.

Further comments and proposals:

- Implement the commitment in its Programme for Government to deliver NFM, and to implement the NFM Accelerator (2023-2025), in order to accelerate delivery of NFM interventions
- Implement a PFR Accelerator Scheme
- Grant insurers access to flood defence infrastructure maintenance status

10. A Contextual Update

10.1 In the period between the initial consultation exercise on 'Insurance and Flood Re – A Wales Perspective' (2025)²⁴ and this response, there have been a series of developments regarding flood insurance, that have implications for, and/or lend weight to, the proposals and potential routes to move forward.

10.2 In March 2025, WG published an update to the Technical Advice Note 15 (TAN15): Development, Flooding and Coastal Erosion²⁵. There are now new sections in TAN15 that consider flood protection measures for new buildings. The affordability of insurance and the associated costs of dealing with flooding consequences, are recognised to reinforce the overall principle of avoiding development in areas where the consequences of flooding will be unacceptable (section 2.8, TAN15). Planning authorities or developers considering development in areas at risk of flooding are advised to seek the views of insurers at an early stage of design planning, in order to integrate appropriate and effective design features to actively reduce flood risk, and to help the eventual occupiers of new developments (section 2.9). Finally, TAN15 states that planning and building regulations have a complementary role in flood management and the use of flood mitigation and damage resistant measures will be required as part of ensuring the consequences of flooding are acceptable. Thus, TAN15 states that any development in Zones 2 and 3 and the TAN 15 Defended Zones must have resilience to flood built-in at site and property level (section 13.2).

10.3 In April 2025 the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs detailed WG's response to the NICW review's recommendations into Building Resilience to Flooding in Wales by 2050²⁶. It is accepted that a renewed conversation about flood risk management

²⁴ [Insurance and Flood Re: A Wales perspective \[HTML\] | GOV.WALES](#)

²⁵ [Technical Advice Note 15: Development, flooding and coastal erosion](#)

²⁶ [Letter: Welsh Government response to the NICW review into Building Resilience to Flooding in Wales by 2050 | GOV.WALES](#)

and building resilience in at risk communities is needed, and it is anticipated that this issue will be returned to in the next Senedd (addressing NICW recommendation 2). There is widespread support in the Senedd for building community capacity for flood risk, including a potential national level forum (or equivalent), and support for the establishment of more community level groups to support resilience (recommendation 6). Kings College London have been commissioned to review forms of deliberative engagement, and officials have been asked to consider how to ensure equitable access to information and how to enable engagement in decision-making for diverse groups (recommendation 8). Also, it is noted that local councillors, town councils, and community councils, play a pivotal role in supporting their respective communities, that it is important to support them to undertake this role (recommendation 16). Local Authorities and NRW are seen as best placed and are encouraged by WG to deliver property flood resilience measures at a community level. It has been emphasised that householders who received property flood resilience measures via these schemes do not need to provide a financial contribution and that actions will be targeted towards the most at-risk communities. The intent is to continue to make funding available to support such measures, including to explore how investment in property level flood resilience can be scaled up, particularly for those at highest risk and who are least able to manage the costs of flooding (recommendation 13).

10.4 The letter to members of the National Infrastructure Commission for Wales (as above) also referred to the Climate Adaptation Strategy for Wales²⁷ (published October 2024) which sets out WG's commitment to responding to the changing climate. Within this national strategy, it is recognised that the negative impacts of climate change are likely to be felt most by those on low incomes, who may be less likely to adapt their homes, or to have household insurance to cover the costs arising from storm damage and flooding (section 2.1), making it harder for them, for example, to replace household goods after a flood (section 2.4). The social justice aspects of climate change adaptation are related to the Welsh Government's National Equality Objective 7, which states, "We will create an environmentally sustainable Wales with the capacity to....respond to the inequitable impacts of climate change". Hence in taking forward policies and actions to address the impacts of climate change, the Strategy commits to taking "appropriate steps to understand whether any groups and communities might be disproportionately affected and will consider the options available for addressing this" (section 2.4). In the climate change outcomes, "what does good look like", includes that "businesses have access to capital and insurance including for adaptation" (section 5.8) and that there is "equitable credit and insurance coverage and premiums for corporates and households to address climate-related risk" (section 5.15).

10.5 In September 2025, the Senedd's Climate Change, Environment, and Infrastructure Committee published 'The response to recent storms'²⁸, following an inquiry into what lessons can be learned following storms Bert and Darragh experienced during the winter of 2024. This includes asking that WG revisit emergency funding for households and to improve signposting to the Flood Re insurance scheme. Contributors to the enquiry had described how "repeated flooding caused significant anxiety and distress, particularly for residents without insurance coverage" (section 118). Contributors also noted the difficulties of navigating the Flood Re 'system' and called for "clearer, more accessible communication more accessible communication from insurance providers and government bodies to help residents and businesses better navigate the complexities of flood insurance coverage" (section 116). The Committee was concerned by the limited access to affordable flood insurance for residents and businesses. In the view of the Committee, "both governments and insurers must do more to

²⁷ <https://www.gov.wales/sites/default/files/publications/2024-10/climate-adaptation-strategy-for-wales-2024.pdf>

²⁸ <https://laidddocuments.senedd.wales/cr-ld17390-en.pdf>

simplify and clarify access to insurance. The role of local authorities in offering advice and signposting must also be strengthened” (p47). The Committee recommended that “the Cabinet Secretary should report back to the Committee on how, in his view, existing insurance schemes such as Flood Re, can be better promoted to residents of high-risk flood areas in Wales” (Recommendation 16).

10.6 The UK Government set up a new ‘Floods Resilience Taskforce’ in September 2024, in order to provide oversight of national and local flood resilience and improve preparedness. Standing membership of the taskforce includes devolved administrations. The first meeting explored the support that insurers can provide to their customers, which included raising awareness and the increased take up of Build Back Better²⁹. The taskforce has also established three taskgroups, on flood warnings, flood recovery and notably flood insurance, with updates expected at future taskgroup meetings (Hansard HC Deb, 26 February 2025)³⁰.

²⁹ <https://www.gov.uk/government/news/new-taskforce-launched-to-turbocharge-flood-preparedness-and-delivery-of-flood-defences>

³⁰ Hansard HC Deb. (26 February 2025) Draft Flood Reinsurance (Amendment). Available at: [Draft Flood Reinsurance \(Amendment\) Regulations 2025 - Hansard - UK Parliament](#) (Accessed: 20 October 2025).

11. Summary and Resultant Proposals

Considering the evidence in the 'Flood Re and Insurance: A Wales Perspective' report's evidence, the support for proposals and additional insight and expertise from the consultees', the original consultation questions are now framed as proposals:

Proposal 1: To include a measure/sub measure on the proportion or number of properties at risk yet under insured or without insurance in the National Strategy (including availability and affordability issues).

11.1 See section 3. There is strong support for a measure in a future revised National Strategy for Wales to understand the scale or the number of people and properties who do and do not have insurance or who are under-insured, particularly tracking the at risk, yet unprotected properties. The new measures should differentiate between 'availability' and 'affordability', ensuring that 'affordability' is clearly defined to ensure the cost of insurance cover is considered within reach for low-income households.

11.2 Further consideration is required on data collection methods, including the possible role of Lead Local Flood Authorities through Section 18 and/or Section 19 reports. Data held by the insurance industry is considered too limited and incomplete to address public policy questions. NB The data provided by Flood Re on insurance availability is at a UK level, limited to only 100 in the sample for those at high risk with former claims. It does not address take up (including affordability), those ineligible for the scheme. Notably the statistics differ markedly from the British Red Cross survey findings, also see [section 2.1.1](#). Hence, the consideration of data source and collection links to Q3/[section 5](#) concerning research needs.

Additional comments/proposals from consultees for consideration:

- To map areas with high densities of uninsured properties onto flood risk maps to inform investment and emergency response resourcing decisions (which would be subject to collecting the data).
- A measurable approach to flood risk in the Strategy, including a long-term measurable target for reducing the number of properties at risk of flooding.

Proposal 2: To include a measure on the proportion or number of properties accessing 'build back better' (BBB) insurance claim payments and installation of PFR resilience measures in the National Strategy.

11.3 See Section 4. There is support for measures and targets on the uptake of Build Back Better (BBB) and wider schemes promoting Property Flood Resilience (PFR). The British Red Cross did note in general that the ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR, but the responses did not consider 'access' (affordability or ineligibility for Flood Re) to PFR measures by households or businesses in any detail. This could be taken forward by WG (see next section, 10.4), or as a key implication for further understanding (under Q1 and/or Q3).

11.4 Flood Re has limited data currently on BBB and is instead focusing on increasing uptake. There is a key role for Government in collecting data on the uptake of PFR, particularly given that government backed and local authority schemes make up the majority of installations.

11.5 Take the opportunities to continue the dialogue with Flood Re to understand why properties have declined the offer to implement PFR measures. As BBB is not universally provided by insurance companies, there is also an opportunity to explore whether further engagement is required to make communities at risk aware they need to check with their insurers, or dialogue with the insurance industry to place the onus on insurance companies to be more proactive, or for BBB to be standardised.

Additional comments/proposals from consultees:

- More guidance and activity to gather data on the effectiveness/performance of resilience measures that have been installed in homes from WG. Consideration of a similar mechanism to Natural Flood Management (NFM), whereby most Lead Local Flood Authorities (LLFAs) gather data before and after the scheme to feed into the knowledge, data, and evidence base.
- Ensuring a common approach across the UK, concerning standards, metrics and practices, to enable the PFR industry to grow.

Proposal 3: Consider issues with insurance availability and affordability, notably including those ineligible for Flood Re, as a key research need (including action through the Joint Flood and Coastal Erosion Risk Management Research and Development Programme and in collaboration with the ABI).

11.6 See Section 5. The issues raised in the report have been observed by practitioners in Wales (particularly with tenanted properties ineligible for Flood Re). The Senedd's Climate Change, Environment, and Infrastructure Committee was concerned by the limited access to affordable flood insurance for residents and businesses. However, the data is not available from the insurance industry, hence there is a key research need to increase

understanding regarding the extent of issues concerning insurance availability and affordability. To note that the ABI would welcome the opportunity to collaborate in any research.

Proposal 4: To allocate resources for *targeted* insurance and PFR/BBB guidance to high exposure households and businesses (particularly in less affluent areas), considering trusted voices and channels (particularly in the VCS and including One Voice Wales) and progressing dialogue with the ABI.

11.7 See Section 6. Respondents have experienced communities lacking knowledge in high risk areas and welcomed the proposal for targeted insurance engagement. (This follows the recommendation of the Blanc Report (2020), that there should be targeted engagement to promote awareness of flood risk to high exposure households and businesses, a simple explanation of flood insurance, a guide to accessing affordable insurance (including through specialist brokers if necessary) and a guide as to what to expect from your insurer in the event of a claim³¹.) There should be greater consideration of trusted voices and channels, and of the proposals and guidance offered as to Local Authority and partnerships with the voluntary and community sector. The efforts with engagement to date have been praised, but more events should be targeted and resourced in areas specifically affected by recent flooding. This aligns with the Senedd's Climate Change, Environment, and Infrastructure Committee's call for clarifying access to insurance, and could inform the plans of WG to review different methods of deliberative engagement with communities and to support wider training (including local councillors, town and community councils).

Further comments and proposals:

- The need to raise flood risk awareness at the time of buying a home
- Targeted guidance and engagement with the construction sector on PFR.

³¹ The Blanc Report (2020): [Flood insurance review 2020: Doncaster - GOV.UK](https://www.gov.uk/government/publications/flood-insurance-review-2020-doncaster)

Proposal 5: WG to monitor approaches from Defra and/or the UK Floods Resilience Taskforce to provide financial support and access to insurance (including reduced premiums) for smaller businesses and poorer households. Otherwise, WG to consider the need to take the initiative on providing such support.

11.8 See Section 7. The monitoring of approaches from Defra for support (which follows the recommendation from the Climate Change Commission (2023)³²), or in the absence of such approaches, WG led financial support was welcomed by non-insurance industry consultees. The ABI and Flood Re focused on co-ordination and learning from national level approaches, including the new National Flood Resilience Taskforce. WG to consider the terms of reference for the new Taskforce, as it is stated that the taskforce “may review” the “the identification and views of preparedness of the most vulnerable areas as well as actions to support the most vulnerable groups” as one of the themes³³. Such a commitment aligns with the WG’s National Equality Objective 7 to respond to the inequitable impacts of climate change, and with the Climate Adaptation Strategy for Wales (October 2024), “as we take forward policies and actions to address the impacts of climate change, we will take appropriate steps to understand whether any groups and communities might be disproportionately affected and will consider the options available for addressing this” (section 2.4).

Proposal 6: WG to work with Defra and the UK Floods Resilience Taskforce to consider the need for a new scheme or alternative support for subsidised flood insurance cover for SMEs and home businesses, and to reconsider the Flood Re eligibility criteria or alternative support for homes built after 1 January 2009 and leaseholders (in a block of more than 3 flats).

11.9 See Section 8. A greater understanding of how many householders and others ineligible for Flood Re was welcomed, as this was seen to be a growing issue. The eligibility criteria were viewed by most consultees as still relevant, or alternatively as raising a difficult choice for policy makers as to whether inequity should apply to those with post 2009 homes or those with lower income. However, there is seen to be a need for public intervention for the uninsured. (A greater understanding and the need for public intervention are considered under proposals 3 and 5 respectively.) The challenges of ineligibility also shift the emphasis to 1) planning taking into account flood risk (and the monitoring of properties build in areas of flood risk) and 2) levels of government funding of flood defences and PFR (see proposal 7).

11.10 To note that the respondents did not comment on evidence that leaseholders (in a block of more than three, i.e. excluded from Flood Re) are struggling to access insurance. The proposal thus follows BIBA (BMG Research, 2022, p29³⁴), to question Flood Re’s eligibility criteria for those in a block of more than three leasehold flats (including basements).

11.11 Attention was drawn to BIBA’s commercial property flood insurance scheme for SMEs. However, this does not offer subsidised cover (as per

³² <https://www.theccc.org.uk/wp-content/uploads/2023/08/Adapting-to-Climate-Change-Progress-in-Wales.pdf>

³³ See p2, under focus areas: https://assets.publishing.service.gov.uk/media/67dd924b64220b68ed6a6fa1/Terms_of_Reference_-_Flood_Resilience_Taskforce.pdf

³⁴ [Review of affordability and availability of flood insurance to help evaluate the effectiveness of FloodRe. - FD2721](https://www.biba.org.uk/reviews/affordability-and-availability-of-flood-insurance-to-help-evaluate-the-effectiveness-of-floodre-fd2721)

Flood Re). There is still a need for a new scheme focused on SME's and home businesses. This aligns with the commitment shown in the Climate Adaptation Strategy for Wales (October 2024), that businesses and households have equitable access to capital and insurance including for adaptation (section 5.8 and 5.15).

Proposal 7: In the preparation of a revised WG FCERM strategy, WG should include an acknowledgement of the wider responsibilities and complexities to enable “the responsibility of a home or business owner to have adequate insurance cover against flooding”. This should include the maintenance of TAN15’s strong stance on development of buildings in current and potential flood zones and the installation of PFR to be mandatory in planning, and handled through building regulations.

11.12 See Section 9. Respondents believed the wider responsibilities and complexities affecting individual householders' ability to have adequate flood insurance should be acknowledged. Including:

- A robust planning system and increased investment in flood defences and PFR were seen to be within 'the gift' of WG. Insurance should be given greater consideration in planning and a robust planning system needs to undertake adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure. Primary funding responsibility for flood defences must be the responsibility of WG in its role of protecting citizens and communities, a responsibility that cannot be passed off to others, including insurers, whose role is to ensure they have the capital to pay claims should the worst happen. As flood defences cannot prevent every single property from flooding, it is also important to increase the uptake of PFR measures. Planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk, which requires resources for planning departments (including skill sets). The installation PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations.

(The updated TAN 15 does stress that the affordability (NB not availability) of insurance reinforces the overall principle of avoiding development in areas where the consequences of flooding will be unacceptable. However, the need for data or measures on the evidence of new homes being built to higher flood risk standards is not a requirement as part of planning applications. This does not allow insurers to have a better understanding of what measures have been included, and then (in theory) reduce premiums for homeowners. Hence there is still a need to consider the consultees' advice to push for a more strategic approach to data collection and monitoring regarding both the installation and the effectiveness of property resilience measures. Consultees also advised that planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk. They believed that the installation of PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations. TAN15 section 3.2 states that planning and building regulations have a complementary role in flood management and the use of flood mitigation and damage resistant measures will be required as part of ensuring the consequences of flooding are acceptable. Any development

in Zones 2 and 3 and the TAN 15 Defended Zones must have resilience to flood built-in at site and property level. However, the requirement for PFR measures to be handled through building regulations still needs to be considered by WG.

- Universal access to insurance. Public funds and resources for flood resilience and recovery should be targeted to support areas worse affected by flooding and poverty-linked inability to afford insurance premiums.

Further comments and proposals:

- Implement the commitment in its Programme for Government to deliver nature-based flood management and implement the NFM Accelerator (2023-2025) to accelerate delivery of natural flood management interventions
- Implement a PFR Accelerator Scheme
- Discussions with Flood Re to understand how a Flood Performance Certificate can fit into the SuDS Approval Body (SAB) process.
- Grant insurers access to flood defence infrastructure maintenance status