

PE1441/F

COSLA Letter of 29 November 2012

Alison

Further to earlier correspondence this matter was discussed at COSLA's Development, Economy and Sustainability Executive Group this morning and they agreed the following response:

The specific issues raised in the petition seem to be regarding the role of the Scottish Government in negotiating Scotland's interests in discussions between the UK Government and the UK Insurance Industry. As outlined in material supplied by the Scottish Parliament's Information Centre (SPICE) on the matter, we are aware that insurance remains a reserved matter under the devolution settlement but also that Scottish Ministers have negotiated a Statement of Principles with the Association of British Insurers (ABI) on the provision of flood insurance which is due to end in July 2013. Our further understanding is that the ABI does not wish to renew the agreement as it believes it distorts the insurance market. We also believe that the Scottish Government continues to raise this matter with DEFRA as part of their negotiations with ABI.

We cannot comment directly on the information regarding obtaining insurance for flood risk in Scotland, including remedies open to pursue developers, but anecdotal information from councils is that even for those areas which have adequate flood defence schemes in situ, access to insurance can be an issue in some communities due to the unwillingness of the insurance industry to provide cover. Lack of an agreement of principles with ABI is likely to make the situation more difficult for individuals and communities. We would stress however that we are not in a position to support or deny the petitioner's claim as outlined in his petition as we have no expertise in insurance matters.

Laura Hoskins
Policy Manager

On behalf of Development, Economy and Sustainability Executive Group, COSLA