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From Richard Benyon MP
Minister for Natural Environment, Water and Rural Affairs

Dear Sir

Thank you for your letter of 28 June regarding an update on the negotiations between Defra and the insurance industry over the future of flood insurance.

As you may know, a headline agreement was announced between Government and the Association of British Insurers on the future of flood insurance on 27 June 2013 that would enable people living to high-risk areas to get affordable flood insurance in future.

It is expected that the proposed approach, known as Flood Re, would take a couple of years before it could be implemented, because of the need to get Parliamentary agreement and State Aids approval from the European Commission. We would bring Flood Re into operation as soon as possible after the Water Bill has passed through Parliament.

Until Flood Re is in operation the insurance industry has agreed to continue to abide by their commitments under the 2008 Statement of Principles and continue to make flood insurance available to customers in areas of high flood risk. We are exploring with the industry what further commitments they can make to help people access affordable insurance before the legislation is implemented, for instance by providing better information about what households can do to reduce their bills. Insurers have made a commitment that they will behave responsibly to their customers in the meantime.

RICHARD BENYON MP



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