



# BUSINESS FLOOD INSURANCE



**Around 185,000 commercial properties are at risk of flooding in England and Wales, with many businesses unable to obtain flood insurance cover.**

In December 2016, the Business Insurance Brokers Association (BIBA) launched a scheme to help businesses obtain flood insurance cover. Visit the BIBA website at [www.biba.org.uk/find-insurance](http://www.biba.org.uk/find-insurance) to find a participating broker, or telephone the 'Find-A-Broker' service directly on **0370 950 1790**.

## What can I do if flood insurance cover is too expensive?

### Improve your Business's Flood Resilience

- Check your flood risk online at [www.gov.uk/check-flooding](http://www.gov.uk/check-flooding).
- Sign up to receive flood alerts and warnings from the Environment Agency. You can register online at [www.gov.uk/sign-up-for-flood-warnings](http://www.gov.uk/sign-up-for-flood-warnings) or by calling the Floodline number on **0345 988 1188**.
- Consider investing in Property Flood Resilience (PFR) and flood alleviation measures, such as flood barriers, pumps and racking.
- Create a bespoke flood plan for your business.
- Demonstrating that you are flood aware and have taken steps to mitigate your losses will make insuring your business a more attractive proposition to insurers.

On average, every £1 spent on property level flood resilience provides a £5 saving on future damages.

### Tailored Values

- Insurers may offer the choice of a lower premium at the expense of a higher excess in the event of a claim, or visa versa.
- Know your flood risk and consider the likelihood, severity and impact of a flood event on the business.
- Estimate your potential costs as a result of a flood. Comprehensive business flood planning can reduce these costs massively.
- Always ensure your business could afford the excess in a worst case scenario.

### Excess Insurance

- This is where a second policy is purchased to cover the cost of the excess on the primary policy, in the event of a claim.
- Excess insurance cover is available up to the value of £100,000.
- Policies can be easily obtained online through third party companies and brokers.
- In some cases, it may not cover the cost of the primary policy's excess in full, but it may still make the overall cost of a claim much more affordable.

### Self-Insuring

- Setting aside money otherwise spent on flood insurance cover can fund the cost of flood alleviation solutions and future recovery.
- The smaller and more predictable the loss, the more economical it may be to self insure.
- Understand your flood risk, estimate the potential losses to the business as a result of a flood event, and plan carefully.



### Parametric Insurance

- Insurance to mitigate loss as a result of a flood event. Works differently to traditional insurance policies - no excess, no loss adjuster, just a fixed financial settlement.
- Policy holder sets the flood depth at which a claim is triggered (min. 200mm) as well as the settlement amount (max. £500,000) payable in the event of a claim, regardless of the loss or damage sustained.
- A flood depth sensor is installed on the external face of the premises which relays real-time data.
- When the trigger point is reached, most claims are paid within 12 to 24 hours.
- An example of this is FloodFlash ([www.floodflash.co/](http://www.floodflash.co/))