



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 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.
- Sign up for flood alerts and warnings from the Environment Agency by registering online at www.gov.uk/sign-up-for-flood-warnings or by calling Floodline at 0345 988 1188.
- Consider investing in Property Flood Resilience (PFR) measures and flood alleviation solutions, such as flood barriers, pumps and racking systems.
- Create a tailored flood plan for your business to ensure preparedness.
- Taking proactive steps to reduce flood risk and demonstrating your flood awareness can make your business more appealing to insurers, potentially lowering your premiums.

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

Tailored Values

Insurers may offer the option of a lower premium with a higher excess in the event of a claim, or vice versa. It's essential to understand your flood risk and consider the likelihood, severity, and potential impact of a flood on your business. Estimate the costs that could result from a flood, as comprehensive flood planning can significantly reduce these costs. Always ensure your business can afford the excess in a worst-case scenario.

Excess Insurance

This is where a second policy is purchased to cover the excess costs on the primary policy in the event of a claim. Excess insurance coverage can be obtained up to a value of £100,000. These policies are readily available online through third-party companies and brokers. While excess insurance may not fully cover the cost of the primary policy's excess, it can still make the overall cost of a claim more manageable and affordable.

Self-Insuring

By setting aside the money that would otherwise be spent on flood insurance premiums, you can fund flood alleviation measures and future recovery efforts. The smaller and more predictable the potential loss, the more cost-effective it may be to self-insure. It's crucial to understand your flood risk, estimate the potential business losses from a flood event, and plan accordingly.

Parametric Insurance

This type of insurance works differently from traditional policies. It offers a fixed financial settlement without an excess or loss adjuster. The policyholder sets the flood depth at which a claim is triggered (minimum of 200mm), as well as the settlement amount (up to £500,000) that will be paid out regardless of the actual loss or damage. A flood depth sensor is installed on the external face of the property, providing real-time data. When the trigger depth is reached, claims are typically paid within 12 to 24 hours. One example of this type of insurance is FloodFlash (www.floodflash.co).