**Property Insurance : Flood Re Scheme Update.**

Yesterday I spoke to my contact at the Association of British Insurers to discuss progress on implementation of the Flood Re Scheme which is designed to cap the element of insurance premiums which covers flood risk.

You may recall that in a previous update I reported that:

- Flood re Organisation established, personnel in place : April 2016 to go “live”.

- Fiduciary compliance being examined by the PRA and FCA.

- Insurance Companies working to ensure their IT systems compatible with Flood Re’s.

My contact advises that the Scheme is still forecast to start operation April 2016. Regulatory bodies are, as usual, tight lipped, but no nasty surprises have emerged so far. They are estimating end February to complete their work. As expected, the individual Insurance Companies are progressing at different speeds with the IT work and some may not be ready by April. However, there is no incentive for a Company to drag their feet as those not ready will be at a significant competitive disadvantage. Brokers have been, and will continue to be, kept informed and should be fully conversant with the Scheme and able to help their clients accordingly.

I suspect, as with any new system, there may be some initial hiccups in the bedding in period, but, if all goes as forecast, then by end April/early May next year insurance policy renewals should, where appropriate and needed, reflect the capping of the flood risk element of the premium quoted.

If anyone would like to speak to me about the Scheme’s details and expected modus operandi, please feel free to do so.

Mike Curtis,

Co-chair, Chew Valley Flood Forum.