



Penny Mordaunt MP
Parliamentary Under Secretary of State
Department for Communities and Local Government
Eland House
Bressenden Place
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5 August 2014

Dear Penny

Flood Response: Repair and Renew Grant

At the most recent meeting between Ministers and the insurance industry on 21st July 2014 regarding the response to the winter floods, it was expressed that there remains a level of concern among some flood victims that receipt of the Government's Repair and Renewal Grant could lead to increased insurance costs.

The ABI can reassure both householders and business customers that, on the basis of our discussions with members, neither an application for the grant, nor its award, will directly lead to any increase in either insurance premiums or excesses. Insurers will always seek to take account of any measures which can be shown to have reduced the flood risk to a property, including measures funded by the Repair and Renew Grant.

Individual insurers rely on sophisticated mapping technology, as well as their own claims history, to inform their approach to assessing flood risk and hence the terms of its insurance products. The ABI strongly encourages those affected to take up Repair and Renew Grant to help them improve the resilience of their properties against future flooding.

I am more than happy for you to pass this information on to Local Authorities if it would help them in giving reassurance to local residents.

Yours sincerely

Otto Thoresen
Director General