



Your ref:

Our ref: MS/1 M/L 15932

Date: 8th August 2013

Being dealt with by: Chief Executive's Department

Email: daniel.mcsorley@omagh.gov.uk

Flood Insurance Consultation
Area 3C
Nobel House
17 Smith Square
LONDON
SW1P 3JR

Dear Sir/Madam

RE: Consultation on securing the future availability and affordability of home insurance in areas of flood risk

I am writing on behalf of Omagh District Council in response to the consultation on 'Securing the future availability and affordability of home insurance in areas of flood risk'. This is particularly relevant to the Council as the Omagh district has in recent years experienced the devastating effects of flooding and flood damage to properties. The hardship and stress coupled with financial worries, experienced by individuals and families who have been victims of flooding of their properties, cannot be over emphasised. The Council is aware of the difficulties some residents have had when seeking home insurance following a flooding incident and the rise in premiums resulting from a flooding incident.

The Council welcomes the opportunity to respond to this consultation. The Council wishes to make the following comments:-

- Omagh District Council agrees in principle with the proposals outlined in this consultation document although it awaits the further finer detail of the 'Flood Re' proposals to make a fully informed decision
- The Council concurs with the partnership approach of DEFRA and the insurance industry to seeking a mutually suitable solution
- The 'Flood Re' proposal to cap the premium for high-risk households for the flood element of insurance is welcome
- The control on levels of excess is welcome
- Given that Council tax bands do not apply to Northern Ireland, rates levels (NI equivalent) may not be as appropriate a guide for gauging different amounts
- The Council would ask that the Flood Re includes cover for both contents and buildings insurance
- The Council concurs with the recommendation that the threshold premium is tailored to provide support to low value households

- The Council notes the cross-subsidy rate of £10.50 from all UK home insurance policies required to meet the annual cost of providing the cover by Flood Re and would seek an assurance that the level of levy is commensurate with the current level of cross-subsidisation and that no additional payments by policy holders will be expected
- The Council agrees that should the Flood Re prove to be unsuccessful in meeting its objective or becomes financially burdensome to the public, that the Government would intervene to regulate it
- The continuation of the Statement of Principles in the interim is welcome until the full working of the Flood Re can be finalised and functional

In conclusion, the Council wishes to thank you for the opportunity to respond to this consultation and we await the outcome of the consultation process.

Yours sincerely



D McSORLEY

Chief Executive