



22 July 2014

Dear Consultee

### **Consultation on the implementing regulations for the Flood Reinsurance Scheme**

1. I am writing to invite your views on the Government's consultation on the Secondary Legislation for the Flood Reinsurance (Flood Re) Scheme which has been launched today.

The legislation for the Flood Re Scheme has been made through the Water Act 2014, which received Royal Assent on 14 May 2014.

We are now working on the implementation of the Flood Re Scheme and are intending to introduce regulations to enable the insurance industry to implement Flood Re next year. The proposed new regulations provide the legal framework for the implementation and operation of the Flood Reinsurance Scheme. They set out how the Scheme will be administered and funded and how the Scheme and the Administrator will be designated. The draft regulations include:

- a. The Flood Reinsurance Scheme Funding and Administration Regulations 2015
  - b. The Flood Reinsurance Scheme Administrator Designation Regulations 2015
  - c. The Flood Reinsurance Scheme Designation Regulation 2015
2. Ongoing monitoring of the insurance market is necessary to ensure that our policy aims (to ensure flood insurance for high risk households is available and affordable over a transitional period of 25 years) are being achieved through Flood Re.

During the passage of the Water Act 2014, concern was raised about the impact on the market for small and medium-sized enterprises, certain leasehold properties and the private rented sector once the 2008 Statement of Principles expires, as they will not be eligible for Flood Re. Ministers have therefore made a commitment to monitor the market for these sectors too.

3. The following documents may be found on Defra's website:  
<https://consult.defra.gov.uk/flooding/floodreinsurancescheme>
  - Consultation document
  - The Flood Reinsurance Scheme Regulations
  - Flood Re Impact Assessment
4. We welcome your views and comments on the proposals. If you wish to obtain a copy of this consultation. Please contact [floodinsurance@defra.gsi.gov.uk](mailto:floodinsurance@defra.gsi.gov.uk) .

## Responses

5. To submit your consultation response please complete the consultation questionnaire provided through Citizen Space (Citizen Space is an on-line consultation tool).
6. Responses should be received by 16 September 2014.

## Consultation Criteria

7. This consultation is in line with the Consultations Principles. This can be found at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>
8. When this consultation ends, we intend to put a copy of the responses in the Defra library at Ergon House, London. This is so that the public can see them. Also, members of the public may ask for a copy of responses under freedom of information legislation.
9. If you do not want your response - including your name, contact details and any other personal information – to be publicly available, please say so clearly in writing when you send your response to the consultation. Please note, if your computer automatically includes a confidentiality disclaimer, that won't count as a confidentiality request.
10. Please explain why you need to keep details confidential. We will take your reasons into account if someone asks for this information under freedom of information legislation. But, because of the law, we cannot promise that we will always be able to keep those details confidential.
11. We will summarise all responses and place this summary on our website at [www.gov.uk/defra](http://www.gov.uk/defra). This summary will include a list of names of organisations that responded but not people's personal names, addresses or other contact details.

To see consultation responses and summaries, please contact (add name of policy lead and their address and contact details. Telephone: 020 7238 6239

Email: [floodinsurance@defra.gsi.gov.uk](mailto:floodinsurance@defra.gsi.gov.uk)

12. Please give the library 24 hours' notice if you wish to see consultation responses and summaries. There is a charge for photocopying and postage.



13. If you have any comments or complaints about the consultation process, please address them to:

Defra Consultation Co-ordinator,  
Room 629  
9 Millbank  
17 Smith Square  
London  
SW1P 3JR

or email [consultation.coordinator@defra.gsi.gov.uk](mailto:consultation.coordinator@defra.gsi.gov.uk).

14. Thank you for your help in this matter. If you have any queries please contact us as above.

Yours Faithfully

Anne Freeman  
Head of Flood Insurance Policy  
**Department for Environment, Food and Rural Affairs**

