

News Release

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GUY CARPENTER / FLOOD RE WEBINAR HIGHLIGHTS CRITICAL IMPORTANCE OF ENHANCED PLANNING AND COLLABORATION TO BOOST FLOOD RESILIENCE

London, 23 November, 2020 – The dual challenges of increasing flood risk in the UK and the impact of climate change are demanding improved planning, greater adaptability and proactive engagement across multiple stakeholders to better identify climate-related exposures and enhance resilience measures, particularly in the built environment. This is according to industry policy and building development specialists speaking at a recent flood resilience event co-hosted by Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a business of Marsh & McLennan Companies (NYSE: MMC) and Flood Re, the UK's flood reinsurance scheme.

On Friday 20 November, Guy Carpenter and Flood Re co-chaired a webinar entitled “Climate Change – Improving the flood resilience of the built environment”. The event brought together senior representatives from Guy Carpenter, Flood Re and the UK's Environment Agency, as well as the wider flood risk management community. Speakers addressed how flood-related mitigation and recovery plans spanning multiple critical stakeholders must be introduced to provide a more sustainable and economically viable approach to resilience across the UK.

“Fundamentally, we need to get better at planning and adapting to the unavoidable impacts of climate change,” warned Julie Foley, Director of Flood Risk Strategy and National Adaptation at the Environment Agency. Highlighting steps currently being taken by the Agency to boost flood resilience, she said: “We are updating our guidance so that all new flood and coastal defences in England are designed to account for a range of climate impacts, including from a 4°C rise in global temperature by 2100. We are also refreshing our strategic approach to tidal flood risk management for London and the Thames Estuary to the end of the century.”

The theme of adaptation was also central to comments by Andy Bord, Chief Executive Officer of Flood Re, who called for a more all-encompassing approach to flood risk management that extended beyond more effective flood defences and into the wider built environment.

“Over the next 30 years, climate change will increase UK annual flood losses by up to 80 percent,” he told delegates. “Whilst £1.1 billion a year of flood damage is being prevented by the UK's existing network of river barriers and coastal defences, it is not enough to just build higher defences to hold back the water. We need to learn to adapt. It is critical that flood considerations are prioritised when making planning decisions and developing new homes or retrofitting existing homes. Such considerations are also central for householders at high risk of flooding. By taking action now I believe we can adapt and ‘build back better’ – an approach we have been advocating for over four years. This is what must happen to ensure the built environment is more prepared for and resilient to future flooding.”

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The ability to respond effectively to climate-related changes will be highly dependent on access to granular exposure data – in particular, for high-gradient perils such as flooding, which are greatly influenced by climatic shifts.

Commenting on the need for robust modelling capabilities, Emma Raven, Head of Research and Development at leading flood modelling company JBA Risk Management, said: “It is critical that we are able to access flood models that fully incorporate climate change science. Our recent modelling, for example, suggests that over 1 million more properties in Great Britain may be at risk to a 200-year flood event by 2040, under a realistic warming scenario. It’s a very interesting time for flood modellers, and the challenges are sparking some innovative approaches.”

The insurance and reinsurance industries clearly have a critical role to play in bolstering resilience to rising flood risks and the impacts of climate change. A key aspect of this is fostering greater collaboration between public and private entities to establish the most effective ways of addressing these risks.

Charles Whitmore, International Public Sector Lead at Guy Carpenter, said: “More recently, the theme of resilience has gained increasing resonance in discussions around public sector de-risking, and we believe that sessions such as this are essential in helping all stakeholders to further understand the benefits of improved risk mitigation measures to move towards risk-based pricing. The (re)insurance market needs to move faster to embed risk mitigation and adaptation measures in the insurance product and thereby incentivise consumers to own more of this process.”

The virtual event, which was attended by almost 300 delegates, also included three panel discussions, “Flood modelling and climate change: the adequacy of cat models for assessing the impact of climate change”, “Building development, flood risk and climate change” and “Insurers’ role in improving flood resilience, given climate change”.

TAGS/KEYWORDS

Guy Carpenter, Marsh & McLennan, MMC, Flood Re, Environment Agency, JBA Risk Management, climate change, flood, resilience, UK, Bord, Foley, Raven, Whitmore

About Guy Carpenter

[Guy Carpenter & Company, LLC](#) is a leading global risk and reinsurance specialist with more than 3,100 professionals in over 60 offices around the world. Guy Carpenter delivers a powerful combination of broking expertise, trusted strategic advisory services and industry-leading analytics to help clients adapt to emerging opportunities and achieve profitable growth. Guy Carpenter is a business of [Marsh & McLennan](#) (NYSE: MMC), the world’s leading professional services firm in the areas of risk, strategy and people. The company’s 76,000 colleagues advise clients in over 130 countries. With annual revenue of \$17 billion, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses including Marsh, Mercer and Oliver Wyman. For more information, visit www.quycarp.com and follow Guy Carpenter on LinkedIn and Twitter @GuyCarpenter.

About Flood Re

Flood Re exists to promote the affordability and availability of flood insurance for households across the UK. Flood Re’s operation promotes a competitive insurance market that customers

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can take advantage of. Flood Re does not set consumer prices – this remains a decision for insurers to make.

Insurers can place the flood risk element of domestic property insurance with Flood Re at a premium linked to property Council Tax bands. Flood Re sits in the background, with the purchase of the policy and the process of making a claim being unchanged.

The scheme launched on 4 April 2016 as an independent body that is privately owned and operated, whilst also being publicly accountable, and insurers are now making use of it to benefit their customers.

Flood Re has a rating of A- “stable” outlook by Standard and Poor’s, one of the world’s leading independent credit ratings agencies. Flood Re is regulated by the Prudential Regulation Authority and the Financial Conduct Authority (firm reference number: 706046).