



The Role of Private Insurance Companies in Achieving Effective Reinstatement of UK Homes after Flooding.

David Proverbs, University of Wolverhampton
email: D.Proverbs@wlv.ac.uk

Abstract

Finance for the reinstatement of UK homes after flooding is provided primarily by private insurance companies, backed by reinsurers in the case of major events. Government funds are directed to flood defence and flood management on a community scale. The role of the private insurance company is therefore viewed as highly important by flood victims in restoring their home and normal lives. However, insurance against flood damage also has a wider role in providing a guarantee of the long term viability of floodplain property. Furthermore, insurance schemes can encourage responsible property management and resilient behaviour. The sustainability of these roles in the context of the commercial realities facing private insurance companies has been re-examined in the light of recent increases in the frequency of flood events in the UK. Insurance companies were much criticised for their handling of flood restoration in 1990 and 1998. Subsequent research revealed large differences in performances and that loss adjusters often recommended low cost rather than most effective reinstatement procedures. Repair standards have been developed and guidelines issued by government and damage management bodies. Further research into the experience of flood victims shows that the stress of displacement from home and loss of personal possessions can add greatly to their suffering and this can be allayed by feeling confident in their insurer. The cost and availability of insurance is an issue for flood victims but also those at risk of flooding. Despite the much publicised debate however, recent research reveals that insurers are continuing to provide insurance cover at an affordable rate to most at risk populations and that most victims are fairly satisfied with their eventual restoration. The competition inherent in the market ensuring that by shopping around a policy can be found. However the ability of home owners to switch insurers also mitigates against the aim of reducing future claims by adapting homes for flooding.

Author's Biography



David Proverbs, Professor of Construction Management, BSc(Hons), PhD, MCIQB, PG.Cert. Ed. is presently **Head of the Construction and Infrastructure Department** at the University of Wolverhampton, UK. He is Vice-Chair of the Council of Heads of the Built Environment (CHOBE) in the UK. He has undertaken numerous research projects, both for the research councils, and various public and private sponsors. Areas of research specialism include international benchmarking; construction productivity; contractor performance; flood damage assessment and flood repair; and satisfaction issues. He has published over 150 refereed academic journal / conference papers and acts as a reviewer to fourteen international refereed journals, several book publishers, the EPSRC and to the European Union's FP7 Programme.