

Dáil Éireann – 07.02.13

Flood Alleviation Measures

Deputy Paschal Donohoe:

I thank the Ceann Comhairle for affording me an opportunity to raise this important matter. The Minister of State, Deputy Brian Hayes, indicated to me that the Minister of State at the Department of Health, Deputy Alex White, would take this matter and I appreciate that he has come to the House.

This issue, which I have raised several times in the Chamber, relates to the difficulties faced by householders living in or adjacent to areas that have been flooded or at risk of flooding when they seek to have their homes insured or reinsured. Many individuals living in various parts of my constituency of Dublin Central are being refused insurance cover, having previously obtained insurance, albeit at an expensive rate.

I understand the difficulty this matter presents to the extent that we cannot require private companies to act in a certain manner. The Government has been moving in a positive direction on this issue by putting in place infrastructure worth billions of euro aimed at eliminating flooding risk in particular areas. This benefits insurance companies and we need to ensure they are made aware that flooding risks have been reduced as a result of work undertaken by the State and local authorities. This could also provide a means of ensuring that some form of insurance is made available in the areas in question.

In November, when I raised this issue with the Minister of State, Deputy Brian Hayes, he briefed me on negotiations that were taking place between the Irish Insurance Federation and Office of Public Works aimed at agreeing a way in which information could be shared so as to ensure greater insurance cover was provided. This is a major issue.

However, it is not getting the attention it deserves because it affects a relatively small number of homes. I am glad the Government has recognised this and I urge the Minister of State, Deputy Brian Hayes, and the Office of Public Works to do everything they can to resolve the matter and to provide an update to the House on it.

Minister of State at the Department of Health (Deputy Alex White):

As indicated, I am taking this debate on behalf of my colleague, the Minister of State, Deputy Brian Hayes, who has an urgent commitment. I thank Deputy Donohoe for raising this issue and for affording the House an opportunity to revisit it since he last raised it in autumn. Other Deputies have also raised the matter.

I assure the House that the impact of flooding on businesses and householders and the issue generally of flood insurance cover remain to the fore on the Minister of State's agenda. The difficulties that some people have been experiencing in securing insurance cover for flood risk at affordable prices, or at all in some instances, particularly in areas that have had flood defence works carried out, is something that the Minister of State is actively pursuing.

To consider the flooding issue in overview for a moment, the strategic focus of the Government through the work of the OPW and local authorities is to alleviate the impact of flooding through the provision of defences to reduce existing flood risk and by taking steps to manage and reduce flood risk in the future through a strategic and sustainable approach under the national catchment flood risk assessment and management, CFRAM, programme. This comprehensive

programme to identify and assess flood risk nationally will, in time, provide a level of information that will allow a more informed engagement with the insurance industry in respect of flood risk cover and, in turn, will enable the insurance industry to take decisions on the provision of cover based on the fullest possible assessment of that risk. The CFRAM studies will lead to the provision of integrated flood risk management plans, which will assist the management and mitigation of flood risk well into the future.

Prior to the completion of the CFRAM programme, the Minister of State has been concerned to ensure that the insurance companies make their assessment of risk in any particular case based on the best available data. In particular, he has often stated that he does not accept that any property protected by significant public capital investment would not be able to receive a quote for insurance at a reasonable cost, the point referred to by Deputy Donohoe in his introduction.

Accordingly, following a number of meetings that the Minister of State had with the Irish Insurance Federation, IIF, and a number of the main insurance companies, a joint working group has been established between the OPW, the IIF and representatives of several insurance companies to progress agreement on a sustainable format and system to facilitate the exchange of information currently available on completed flood defence schemes. This will ensure that the insurance industry can be fully informed as to the extent of OPW investment in flood protection measures in recent decades and will take that investment fully into account in assessing flood risk for insurance purposes.

A preliminary exchange of information between the OPW and the IIF has taken place on selected completed flood defence schemes and the standard of protection that they provide. Clearly, it is important that the information be as thorough as possible to verify the level of protection involved. This requires a considerable amount of detailed work on the part of the OPW to collate the required data and present it in an acceptable format.

The Minister of State is happy to say that the feedback received from the insurance industry on the "template" information provided has been positive. Some relatively minor technical issues remain to be resolved, but he is optimistic that the template format will be agreed shortly.

He acknowledges the commitment by the IIF to making substantial progress through this working group, which has already engaged in this matter in a co-operative manner. The working group will meet regularly to advance and complete its work in the quickest possible timeframe.

While the Minister of State is hopeful that an agreed system of information exchange will significantly improve the situation over time, it is important to bear in mind that the provision of new flood cover or the renewal of existing flood cover is a commercial matter for insurance companies, as acknowledged by Deputy Donohoe. The insurance companies cannot be directed to provide flood cover to specific individuals or businesses. It remains a matter for the insurance market to manage the assessment of risk and the provision of all classes of insurance cover at an individual policy level. This assessment takes account of a range of factors and is often considered on a case-by-case basis.

However, avenues are available to those who continue to experience difficulty with flood insurance cover. I am informed that queries or complaints in this regard can be directed through the IIF's free insurance information service. In addition and as Deputies know, the Financial Services Ombudsman deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers.

Deputy Paschal Donohoe:

I thank the Minister of State for providing that information. I welcome the fact that since I last raised the issue in the House, progress has clearly been made on the way in which information can be shared. I hope this situation will be resolved soon. It is important that we end up with a

process that allows the infrastructure provided by the State to be taken into account by companies when deciding on whether they want to insure someone. Given the moneys being invested by local authorities in dealing with this issue, I am gravely concerned that regard is not being given to that infrastructure. I thank the OPW for the seriousness with which it is taking this matter. I want the issue progressed and I will raise it in the House again in the near future.

While it is for an insurance company to decide on whether it wants to offer cover, perhaps we could consider a system through which companies would provide cover to areas that could be at risk while taking this possibility into account when determining the magnitude of the premium to be charged. They would do this instead of providing no insurance at all. The stark reality facing many of my constituents is that they can get no cover at all despite the fact that infrastructure to prevent flooding is either in place or will be in the near future.

Deputy Alex White:

The Deputy makes the case well, particularly his point on the necessity to have a process by which public infrastructure funded by the State should be factored into the question on the provision of cover by insurance companies. The Minister of State has made considerable progress in this matter and has received a great deal of co-operation in his work and that of the OPW's. I note the Deputy's intention, which I am sure will be carried through in his usual way, to follow this matter up in future to ensure it remains on the agenda of the House and the OPW. The Minister of State takes a great interest in this matter.