

Draft Regulations laid before Parliament under section 84(6) of the Water Act 2014 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2022 No. 0000

INSURANCE

The Flood Reinsurance (Amendment) Regulations 2022

Made - - - - *****
Coming into force - - *1st April 2022*

The Secretary of State makes these Regulations, with the consent of the Treasury, in exercise of the powers conferred by sections 64(1), 66(1)(a) and 68(1) of the Water Act 2014(1).

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament pursuant to section 84(6) of that Act.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Flood Reinsurance (Amendment) Regulations 2022 and come into force on 1st April 2022.

(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Amendment to the Flood Reinsurance (Scheme and Scheme Administrator Designation) Regulations 2015

2.—(1) In regulation 2 of the Flood Reinsurance (Scheme and Scheme Administrator Designation) Regulations 2015(2), for “22nd June 2015” substitute “19th January 2022”.

(2) The amendment made by paragraph (1) to revoke the designation of the Scheme Document dated 22nd June 2015 and designate instead the Scheme Document dated 19th January 2022(3) is without prejudice to any obligations and liabilities arising prior to the date that these Regulations come into force.

(1) 2014 c. 21.

(2) S.I. 2015/1875. A correction slip was issued on 30th June 2016 in respect of regulation 2.

(3) A copy of the Scheme Document is annexed to the Explanatory Memorandum which is available alongside these Regulations and can be found at www.legislation.gov.uk. A copy can also be obtained from Flood Re Limited at their current registered office which is 75 King William Street London, EC4N 7BE.

Amendment to the Flood Reinsurance (Scheme Funding and Administration) Regulations 2015

3.—(1) In regulation 8 of the Flood Reinsurance (Scheme Funding and Administration) Regulations 2015(4), for “£180 million” substitute “£135 million”.

(2) The amendment made by paragraph (1) does not have the effect of altering or extinguishing any obligation or liability arising prior to the date on which these Regulations come into force.

We consent

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|------|--------------------------------------------|
| | <i>Name</i> |
| | <i>Name</i> |
| | Two of the Lords Commissioners of Her |
| Date | Majesty’s Treasury |
| | <i>Name</i> |
| | Parliamentary Under Secretary of State |
| Date | Department for Environment, Food and Rural |
| | Affairs |

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Water Act 2014 (c. 21, “the Act”) includes provision designed to promote the availability and affordability of home insurance in areas of high flood risk. These Regulations set out amendments to the existing Flood Reinsurance (Scheme and Scheme Administrator Designation) Regulations 2015 (S.I. 2015/1875) and the Flood Reinsurance (Scheme Funding and Administration) Regulations 2015 (S.I. 2015/1902).

The Flood Reinsurance Scheme is a scheme established for the purpose of providing reinsurance to relevant insurers in respect of such risks arising from a flood as are identified by the scheme.

Regulation 2 revokes the designation of the existing Scheme and designates a new Scheme. It provides that this change is made without prejudice to liabilities and obligations that applied prior to the coming into force of these Regulations.

Regulation 3 amends the total levy figure to £135 million, reduced from £180 million. It provides that this change is made without prejudice to liabilities and obligations that applied prior to the coming into force of these Regulations.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.