

# **WATER ACT 2014**

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## **EXPLANATORY NOTES**

### **COMMENTARY**

#### **Part 4**

#### **Flood Insurance**

#### **Flood insurance obligations**

#### ***Section 81: Intervention by the FCA or the PRA***

282. **Section 81** confers powers on the Treasury to provide, by regulation, for the regulators (defined as the Financial Conduct Authority and the Prudential Regulation Authority under subsection (12)) to disapply or modify the requirements imposed under sections 70, 72 and 78. Subsection (2) defines the intervention power as the power conferred by regulations under subsection (1).
283. Subsection (6) describes particular situations that might be dealt with using the intervention power. Subsection (7) is mostly about the procedures for exercising the intervention power. Provision under subsection (7)(g) would require a regulator to keep under review cases in which it has used the power. Subsection (8) enables regulations under subsection (7) to except material from publication where publication would be contrary to the public interest. Subsection (9) sets out that the intervention power may be exercised in respect of an obligation imposed under section 70(1) only so as to disapply the requirements of the flood insurance obligation.
284. The Financial Conduct Authority and the Prudential Regulatory Authority have existing powers under the Financial Services and Markets Act 2000 and the Financial Services Act 2012 to supervise, monitor and enforce regulatory requirements imposed on financial services firms. Subsections (10) and (11) provide for regulations to extend those powers in relation to the intervention power, with or without appropriate modifications.
285. Subsection (12) defines the “regulator” as the Financial Conduct Authority or the Prudential Regulation Authority. Subsection (13) defines certain terms in this section by reference to their definitions in the Financial Services and Markets Act 2000.