
DRAFT STATUTORY INSTRUMENTS

2015 No.

**The Flood Reinsurance (Scheme Funding
and Administration) Regulations 2015**

PART 3

FR Scheme Funding

Calculation of the levy

8.—(1) A relevant insurer must pay to the FR Scheme administrator a levy for each financial year from (and including) the financial year commencing 1st April 2016, calculated in accordance with the following formula—

$$TL \times \frac{X}{Y}.$$

(2) For the purposes of the formula in paragraph (1)—

- (a) “TL” means the total levy of £180 million;
- (b) “X” means the relevant insurer’s gross written premium for the preceding calendar year unless paragraph (3) applies, in which case, “X” is determined in accordance with that paragraph; and
- (c) “Y” means the sum of all relevant insurers’ “X” for the preceding calendar year.

(3) If a relevant insurer fails to provide the information requested under regulation 7 within the period required by that regulation, “X” is the amount considered by the FR Scheme administrator to be a reasonable estimate of the gross written premium of the relevant insurer for the preceding calendar year, on the basis of information reasonably available.

(4) The FR Scheme administrator must calculate the levy payable under paragraph (1) by a relevant insurer on the basis of the information reasonably available at the time a request for an instalment is made under regulation 9(1) or (2).