



**Press Release**  
**29 March 2007**

**Calls for the government to underwrite flood risk attracts  
a wave of support according to research by Lockton**

Nearly 80% of property professionals believe that the government should underwrite the risk of flooding when housing developments on flood plains prove uninsurable, according to a snapshot survey by Lockton's Real Estate & Construction division.

Over the past few years the government's housing policy has encouraged developers to build on flood plains as local authorities come under increasing pressure to find sites for housing. Similarly, property developers have urged the government to underwrite the risk in the event that the subsequent developments prove uninsurable due to flood risk.

Richard Owen of Lockton's Real Estate & Construction division says:

"Development on flood plains in the UK is a matter of considerable and continued contention. The current lay of the land is uncertain and the government's position needs to be clarified one way or the other. The consensus view is that the government must either step in and underwrite the risk themselves or set concrete guidelines so that property developers can make the appropriate arrangements to mitigate risk in the insurance market.

"Contrary to popular belief, there are underwriters who are prepared to insure some flood plain development. We have been active in designing programmes for developers, which include a provision for the insurers of the development to cover individual home owners' property after the house sale, should traditional household insurers prove unwilling to carry the risk."

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For further information please contact:

Richard Owen, Lockton

020 7933 2452

**Notes to editors:**

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