

Reducing Flood Exposure in Basement Properties: A Strategic Approach

We are all aware of climate change. The headlines depicting “Warmest June on Record,” “Melting Ice Caps Accelerate,” “Unstoppable Forest Fires Rage Across Continents.” We’ve all seen the images—parched landscapes, orange skies, flooded cities, and shrinking glaciers. And if last month was anything to go by, with its relentless heat, it feels like it might be true. This was echoed in the words of warning from Mayor of London, Sir Sadiq Khan, who warned that 50,000 basement properties are at risk of flooding.

We’ve seen this firsthand. The floods of 2021 still linger in the minds of many clients—and insurers—as a stark reminder of the devastating financial toll of basement flooding. Since then, insurers have faced tens of millions of pounds in claims, much of it stemming directly from damage to basement areas. Unsurprisingly, this has led to a major shift in underwriting appetite, particularly when it comes to properties with basement exposure.

The Insurance standpoint

All properties, but especially those with large, multi-level basements, or those in high-end developments, are now viewed with increased caution. Some insurers are declining to quote on these risks altogether or opting to exclude flood cover entirely. Others are willing to provide terms—but at a significant cost, either through sharply increased premiums or substantial flood excesses. Scant consolation if you have a property which includes a basement, or you occupy the basement itself.

Why is this so costly?

Once flood waters enter a basement, the likelihood of a small claim quickly disappears. Flood damage in these areas is typically extensive, and the associated remediation process is both complex and costly. Excess water needs to be pumped out and the structure needs to be dried before any repair work can be done. Not to mention arranging alternative accommodation or temporary relocation if required.



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Prevention starts with a flood response plan

So, what can be done to limit the risk? A good starting point is to create a flood response plan, which should address two key strategies:

1. Resilience: How to keep flood waters from entering the building
2. Damage Limitation: How to reduce the impact if water does get in

Preparing a flood response plan will help identify the risk of flooding, ensure measures are adopted to make your property as resilient as possible, and identify the measures needed to assist those directly affected, if a flood event occurs.

What to do when flooding is forecast: Practical steps to protect your premises

You can take some practical steps to protect your premises. Flooding, and flash flooding in particular as the name suggests, can have a devastating affect in very little time. Here's a quick list to help:

- Install and maintain a sump pump
- Regularly clear your gutters
- Install a backwater valve to prevent sewer backups
- Landscape the area around the buildings to divert water
- Relocate vulnerable plant, equipment, contents to a safe area.
- Shut down and isolate utilities (electricity, gas, compressors, generators, fuel lines)
- Place filled **sandbags** at entry points and around vulnerable equipment

Flooding is a fast-evolving issue, influenced by shifting weather patterns and rising urban density. As the risk increases, so too does the complexity of insuring it. Being proactive—both in physical defences and insurance coverage—is more important than ever.

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