
DRAFT STATUTORY INSTRUMENTS

2015 No.

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

PART 4

Reinsurance Premium Thresholds

FR Scheme reinsurance premium thresholds: England and Scotland

15.—(1) This regulation applies where—

- (a) the FR Scheme administrator charges a relevant insurer for reinsurance premiums in respect of household premises in England or Scotland, and
- (b) those premiums are in respect of the flood risk element of a combined policy, a buildings policy or a contents policy.

(2) During the financial year commencing on 1st April 2016, the amount charged by the FR Scheme administrator must not exceed the amount set out in Table 1 in the Schedule corresponding to the relevant valuation band for the household premises and the relevant type of policy.

(3) During the financial year commencing on 1st April 2017, and during each subsequent financial year, the amount charged by the FR Scheme administrator must not exceed the amount set out in Table 1 in the Schedule, as substituted in accordance with regulation 19, corresponding to the relevant valuation band for the household premises and the relevant type of policy.

(4) For the purposes of paragraphs (2) and (3)—

- (a) the relevant valuation band for household premises in England shall be the same as set out in section 5(2) of the Local Government Finance Act 1992⁽¹⁾;
- (b) the relevant valuation band for household premises in Scotland shall be the same as set out in section 74(2) of the Local Government Finance Act 1992.

FR Scheme reinsurance premium thresholds: Wales

16.—(1) This regulation applies where—

- (a) the FR Scheme administrator charges a relevant insurer for reinsurance premiums in respect of household premises in Wales, and
- (b) those premiums are in respect of the flood risk element of a combined policy, a buildings policy or a contents policy.

(2) During the financial year commencing on 1st April 2016, the amount charged by the FR Scheme administrator must not exceed the amount set out in Table 2 in the Schedule corresponding to the relevant valuation band for the household premises and the relevant type of policy.

(3) During the financial year commencing on 1st April 2017, and during each subsequent financial year, the amount charged by the FR Scheme administrator must not exceed the amount set

(1) 1992 c.14.

out in Table 2 in the Schedule, as substituted in accordance with regulation 19, corresponding to the relevant valuation band for the household premises and the relevant type of policy.

(4) For the purposes of paragraphs (2) and (3), the relevant valuation band for household premises in Wales shall be the same as set out in section 5(3) of the Local Government Finance Act 1992⁽²⁾.

FR Scheme reinsurance premium thresholds: Northern Ireland

17.—(1) This regulation applies where—

- (a) the FR Scheme administrator charges a relevant insurer for reinsurance premiums in respect of household premises in Northern Ireland, and
- (b) those premiums are in respect of the flood risk element of a combined policy, a buildings policy or a contents policy.

(2) During the financial year commencing on 1st April 2016, the amount charged by the FR Scheme administrator must not exceed the amount set out in Table 3 in the Schedule corresponding with the relevant Flood Re category for the household premises and the relevant type of policy.

(3) During the financial year commencing on 1st April 2017, and during each subsequent financial year, the amount charged by the FR Scheme administrator must not exceed the amount set out in Table 3 in the Schedule, as substituted in accordance with regulation 19, corresponding to the relevant Flood Re category for the household premises and the relevant type of policy.

(4) For the purposes of paragraphs (2) and (3), the Flood Re categories are set out in the table below—

<i>Values of Properties at 1st January 2005</i>	<i>Flood Re category</i>
Values not exceeding £72,500	1
Values exceeding £72,500 but not exceeding £92,500	2
Values exceeding £92,500 but not exceeding £125,000	3
Values exceeding £125,000 but not exceeding £160,000	4
Values exceeding £160,000 but not exceeding £205,000	5
Values exceeding £205,000 but not exceeding £260,000	6
Values exceeding £260,000 but not exceeding £450,000	7
Values exceeding £450,000	8

Relevant valuation band or Flood Re category for household premises

18. For the purposes of regulations 15(4), 16(4) and 17(4) the relevant valuation band or Flood Re category for relevant household premises is—

- (a) in a case within paragraph (a) of the definition of “household premises”, the valuation band or Flood Re category applicable to the dwelling; and
- (b) in a case within paragraph (b) of that definition, the valuation band or Flood Re category applicable to the residential unit occupied by the holder of the combined policy, buildings policy or contents policy for the household premises.

(2) Section 5(3) of the Local Government Finance Act 1992 was amended by [S.I. 2003/3046](#).

Calculation of reinsurance premium thresholds

19.—(1) For the financial year commencing on 1st April 2017, and each subsequent financial year, each amount set out in Tables 1, 2 and 3 in the Schedule is to be substituted with an amount calculated in accordance with the following formula—

$$A + (A \times CP)$$

With the resulting figure being stated to two decimal places and rounded to the nearest penny, and the substituted figure applies as if set out in the relevant Table.

(2) In paragraph (1)—

- (a) for the financial year commencing on 1st April 2017 and each subsequent financial year, “A” is the amount set out in the relevant Table for the preceding financial year; and
- (b) “CP” is the percentage increase or decrease in the consumer prices index for the preceding calendar year.

(3) In paragraph (2), “consumer prices index” means the all items consumer prices index published by the UK Statistics Authority or, if that index is not published for a relevant month, any substituted index or index figures published by the UK Statistics Authority.