



the proposed changes set to be introduced in the *Legal Services Bill* with the launch of a new legal services arm. Asked whether it wanted to grow Halifax Legal Services into a large private legal provider, a spokesman for Halifax said that it was keeping a close eye on developments in the *Legal Services Bill*. "We're in a very good place for organic growth and we certainly intend to leverage our position." He admitted that the bank might look to launch home and motor legal expenses cover in the future although it had no plans as of yet. Halifax is working in partnership with both Hammonds Direct and First Assist.

Insurers in warning over new CDM regulations

BY ED VINALES

INSURERS that instruct third-party repairers to handle property claims face a greater risk of being fined once the new construction design and management regulations come into force next year.

The regulations, which are due to be implemented in April 2007, specifically target the construction industry; however, the Health and Safety Executive has acknowledged that it will place greater responsibility on insurers that instruct repair work to be carried out.

Tony Boobier, vice-president of international solutions at MSB, the global supplier of land and property data to the insurance sector, agreed insurers may have to take on additional legal risk if they continue



Boobier: insurers may have to take on additional legal risk.

to contract out responsibility for claims to repairers.

"The CDM regulations will concern complex claims such as demolition, flood and subsidence type work. If an insurer instructs a client and there is an injury on site

they will be in the firing line and may face legal action.

"Some insurers are already getting nervous about having to take on more responsibility and they could revert to the days where the policyholder appoints the repairer as happened 10 years ago. This could lead to higher costs unless they start thinking about new ways of working, including better use of technology-based systems to control the repair cost of builders appointed directly by homeowners."

A spokeswoman for the HSE moved to ease concerns: "Insurers that instruct reputable repairers will have no problem with these regulations. However, if they are instructing disreputable organisations then they could face legal action."

Government to consider flood grants for homeowners

DAVID Miliband, Secretary of State for Environment, Food and Rural Affairs, has revealed that government grants for 'retro-fitting flood resilience' will be considered internally.

Mr Miliband confirmed on Tuesday at the Association of British Insurers' second climate conference that he would

discuss this idea with climate change and environment minister Ian Pearson on behalf of homeowners wishing to improve the flood resistance and resilience of their properties.

The statement came in response to a direct question from Mary Dhonau of the National Flood Forum, a body

that represents flood victims and promotes self help strategies by homeowners.

She asked: "Does the government have plans to give grants to homeowners to retrofit resilience in areas that will never qualify under cost-benefit analysis for enhanced flood defences?"

Ms Dhonau made the point that the house in Lowestoft, specially retrofitted by Norwich Union at a cost of £30 000, was flooded recently but the homeowner was able to wash down and remain in the property, while neighbours were forced to move into temporary accommodation.

ABI calls for £8bn boost

WITHOUT improvements to existing flood defences, the cost of a major coastal flood could soar by 400% to £16bn in a single generation.

That is the stark warning laid out this week to government by the Association of British Insurers' report *Coastal Flood Risk — Thinking For Tomorrow, Acting Today*, coupled with a call for an extra £8bn to be invested in flood defences over the next 25 to 30 years.

Assessing the threat from rising sea levels to England's east coast, the report found that a 40cm rise could occur as soon as 2040, putting an extra

130 000 properties at risk.

In total, 400 000 properties would be susceptible, up nearly 50% on the current number. In Southend and South Essex alone, 24 000 properties could suffer serious flooding following a 40cm rise — 16 times as many as are under threat today. Essential services and lives on the East coast will also be at risk, with 15% of fire and ambulance stations and 12% of hospitals and schools in this area already lying in flood risk zones.

In addition to an £8bn boost in investment, the report also calls for a long-term flood management strategy,

COSTS OF A 40CM SEA LEVEL RISE

Hull: A major storm would currently cause flooding to 4000 properties at a cost of £266m, and a 40cm sea level rise would affect 19 000 properties at a cost of £1.9bn.
Great Yarmouth and Lowestoft: Approximately 1000 properties would suffer serious flood now, rising to 17 600 at a cost of £578m.
Southend and South Essex: About 1500 properties at risk currently, rising to 24 000 with financial losses of £336m.
East London: A 40cm rise would increase the number of at risk properties to 2300.
Hastings: Nearly 400 properties would be affected by coastal erosion and a heightened risk of wave damage to seafront buildings.

examining future funding needs in 25 to 30 years' time, as well as regional planning that takes into account the likely impact of climate change in 50 and 100 years' time.

At the report's launch,

ABI director general Stephen Hadrill said not only did these figures underline the need for "sustained and prolonged" investment in coastal flood defences but that "this needs to start now".