The Treasury

Residential Flood Insurance Issues Information Release

August 2024

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Flood insurance: Feedback from consultation and proposed framework for next advice

Date:	11 August 2022	**Report No:**	T2022/1529
		File Number:	SH-11-4-3-4-14-1

Action sought

	Action sought	Deadline
Hon Grant Robertson **Minister of Finance** Hon Dr David Clark **Minister Responsible for the Earthquake Commission**	**Agree** to, or **provide feedback** on, the proposed framing of the flood insurance issue, including the criteria to be used for our advice on options in October.	25 August 2022
Hon Kiri Allan **Associate Minister of Finance**	**Note** this report.	None

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Daniel Jury	Senior Analyst, Financial Markets	[39]		
Sam Thornton	Senior Analyst, Financial Markets	[39]		✓
Mary Llewellyn-Fowler	Acting Manager, Financial Markets	[39]	[35]	

Minister's Office actions (if required)

Return the signed report to the Treasury.

Refer this report to (i) the Minister of Climate Change (Hon James Shaw); (ii) the Minister of Local Government (Hon Nanaia Mahuta); (iii) the Minister for the Environment (Hon David Parker); (iv) the Minister for Māori Development (Hon Willie Jackson); (v) the Minister of Housing (Hon Dr Megan Woods); and (vi) the Minister for Emergency Management (Hon Kieran McAnulty).

Note any feedback on the quality of the report	

Enclosure: None

Treasury Report: Flood insurance: Feedback from consultation and proposed framework for next advice

Executive Summary

Insurers are increasingly reflecting the flood risk of individual homes in the premiums they charge homeowners (i.e. shifting to more granular risk-based pricing for flooding, hereafter referred to as "risk-based pricing").

The Treasury has been considering the impact of this change on the availability and affordability of insurance, in the context of flood risk increasing due to climate change.

In April 2022, Cabinet invited the Treasury to consult on these issues and to examine options to intervene in the insurance market. This work sits alongside policy work on climate adaptation, which indirectly supports insurance access and affordability.

This report:

- updates you on feedback from the public consultation (including with insurers, local government, and communities affected by flooding, including Māori in those communities)
- seeks your feedback on our recommended framing of this issue (the problem, objectives, and criteria for assessing options). This framing will be used in the advice on options we will provide in October.

Key messages from consultation

We heard about the **significant negative wellbeing impacts from flood damage**, whether there is insurance in place or not. Beyond the economic damage, flood-affected stakeholders stressed the mental and physical toll of dealing with flooding.

While insurance appears widely available at present, we were told that **losing (or the fear of losing) access to insurance due to high flood risk has significant negative wellbeing impacts.** This is because for many people their home is their largest asset and losing (or the risk of losing) insurance may affect its value and ability to rebuild after a flood.

Affordability of insurance was also a concern and **there are fears that future flooding events may trigger significant increases in premiums.** Some Māori in flood prone areas said that although insurance is still available, it is already too expensive for many which may be resulting in lower insurance uptake.

Insurers said the market had not yet shifted to the widespread use of risk-based pricing for flooding – [25] and [26]

They also said **the number of homes that might be impacted by a shift to risk-based pricing in the future is relatively small**. [25] and [26]

We heard that **insurance should not be thought of in isolation as it is one component of a balanced approach to managing natural hazard risk**, alongside risk avoidance (e.g. land use planning), control (e.g. engineering solutions), and acceptance (post-event response).

We were also told **it is difficult for people and communities to know how best to manage flood risk in the short-term**. This is because of uncertainties around the impact of climate change on flooding at local levels as well as how communities may adapt in the future (e.g., building of flood defences). It is also because changes to key system settings are still under development (e.g., the current resource management and climate change related reforms such as managed retreat). Related to this, people expressed concern that an insurance intervention could soften important incentives to avoid or reduce flood risk and suggested that **any Government insurance intervention should be temporary and targeted**.

Framing the issue: objectives and criteria for assessing options

Our testing of the problem with stakeholders indicates that a relatively small number of homeowners could face significant and abrupt (sudden and unexpected) negative changes to their insurance in the short-term if there were to be a widespread move by insurers to risk-based pricing for flood risk.

[33]

[33]

The distributional impacts and the Crown's obligations under the Treaty of Waitangi will also be considered when advice is developed.

Next steps

Following your feedback on the framing of the issue, the Treasury will provide advice in October on options to address residential flood insurability issues [33]

Recommended Action

We recommend that you:

Consultation

a **Note** the Treasury undertook targeted public consultation on flood insurance issues with insurers and insurance brokers, local government, communities particularly affected by flooding, Māori within communities particularly affected by flooding, academics, think tanks, and banks.

b **Note** feedback from the general public was also obtained on flood insurance issues via the public consultation on the draft National Adaptation Plan.

c **Note** key themes identified or confirmed via this public consultation including the following:

- There are significant wellbeing impacts on homeowners that suffer flood damage, regardless of if they have insurance or not.
- Insurance appears to be currently widely available, but this may not continue in the future.
- Losing (or the fear of losing) access to insurance due to high flood risk has significant negative wellbeing impacts.
- Affordability is a concern.
- Insurance is one component of a balanced approach to managing natural hazard risk and should not be thought of in isolation.
- It is difficult to know what the best course of action for managing flood risk is in the short-term given there is uncertainty about: the local flood impacts of climate change; how wider society will adapt to increased flood risks over the longer term; and changes to key system settings (e.g. the current resource management and climate change related reforms such as managed retreat).
- Government needs to be careful not to undermine the best long-run risk management approach.
- Any Government insurance intervention should be temporary and targeted.

Framing the issue

d **Note** we have further refined our thinking on how to consider this issue (in part informed by consultation feedback), and that this will inform our advice on options in October.

[33]

i **Indicate** if you have any comments in relation to the proposed criteria for assessing options.

Next steps

j **Note** the Treasury will provide advice in October on options to address residential flood insurability issues and whether to proceed with the development of any options.

k **Note** the October advice will provide further information on the timing of any intervention.

l **Note** the Treasury will continue targeted consultation with insurers to inform the October advice.

m **Refer** this report to: the Minister of Climate Change (Hon James Shaw), the Minister of Local Government (Hon Nanaia Mahuta), the Minister for the Environment (Hon David Parker), the Minister for Māori Development (Hon Willie Jackson), the Minister of Housing (Hon Dr Megan Woods) and the Minister for Emergency Management (Hon Kieran McAnulty).

Referred/not referred.

Mary Llewellyn-Fowler

Acting Manager, Financial Markets

11 / 08 / 2022

Hon Grant Robertson

Minister of Finance

_____/_____/_______

Hon Kiri Allan

Associate Minister of Finance

_____/_____/_______

Hon Dr David Clark

Minister Responsible for the Earthquake Commission

_____/_____/_______

Treasury Report: Flood insurance: Feedback from consultation and proposed framework for next advice

Purpose

1. This report:

   a summarises public feedback received about flood insurance issues via:

   - targeted public consultation undertaken for this project on residential flood insurance issues.
   - public consultation on the draft National Adaptation Plan (which referred to this project)

   b seeks your feedback on our recommended framing for this issue (including the problem, objectives, and criteria for assessing merits of different options) for our advice to you on options in October.

Background

Summary of the issue

2. The Treasury is considering the impact of insurers increasingly reflecting individual homes' specific flood risk in premiums (risk-based pricing) and the implications for this from climate change. We have considered issues related to all types of 'flood' risk in this work, including fluvial (river), pluvial (surface), and coastal flooding.

3. Insurance for flood and other natural hazards is currently relatively affordable and widely available as part of all-risk insurance policies[1]. This has resulted in New Zealanders having very high insurance coverage compared to those in other countries subject to similar risks. The Insurance Council of New Zealand's regular surveys show 96-98 percent of homes are insured.

4. However, there are two issues playing out that could challenge the insurability of residential homes for flood damage:

   a Improved information about flood risks, which enables **more granular risk-based pricing** by insurers. In the past, differential levels of flood risk across residential houses have not been significantly reflected in insurance pricing (in part due to data limitations). Improved data will over time will increasingly enable risk-based pricing, likely resulting in homes with higher flood risk facing rising premiums, while premiums may be lower for less risky homes. Tower Insurance, which has around 10 percent of the residential insurance market share, began phasing in flood risk-based pricing in late 2021.

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[1] The relative affordability, wide availability, and consequent high uptake of home insurance in New Zealand has been supported by a longstanding, voluntary, relatively low-degree of granular risk-based pricing for key risks such as flooding and Government interventions such as the EQC Scheme. EQC automatically attaches to private insurance policies for fire. It provides natural hazard insurance for residential buildings and some areas of residential land after earthquakes, landslips, volcanoes, tsunami and hydrothermal activity. It also provides cover for storm or flood damage for residential land. Residential buildings are not covered for flood risk by EQC as insurance against flood risk has historically been widely available at affordable prices.

b Underlying flood risk increasing as the frequency and severity of the flooding hazard is exacerbated over time by **climate change**.

5. The effects of these two issues are distinct but overlapping and, when combined, mean that some higher flood risk households may begin to face rising premiums or struggle to access insurance.

Recent context

6. During the second half of 2021 the Treasury provided advice on the emerging issues relating to access and affordability of flood insurance for residential homes [T2021/1900, T2021/2377 and T2021/2921 refer].

7. In early 2022, the Minister Responsible for the Earthquake Commission (EQC) engaged with insurers [25] and [26]

8. In February 2022, the Climate Response Ministers Group (CRMG) asked the Treasury to progress policy work on flood insurance issues in closer alignment with the wider work on climate adaptation policy, including the National Adaptation Plan. Based on this feedback, the Minister of Finance and the Minister Responsible for the EQC directed the Treasury to examine a full set of insurance options to help Cabinet decide whether to proceed with an insurance intervention, and the type of intervention, and to report to the Minister of Finance and the Minister Responsible for the EQC in the second half of 2022.

9. The Government published the draft National Adaptation Plan and public consultation material (including flood insurance content) on 28 April 2022. Consultation closed on 3 June 2022. The Treasury consulted various stakeholders on flood insurance issues from early April to late June 2022.

Consultation

How we consulted

10. The Treasury has undertaken targeted consultation with key stakeholders over the last few months to inform the analysis for this project. The stakeholders were:

- insurers and insurance brokers
- local government
- communities particularly affected by flooding
- Māori within communities particularly affected by flooding
- academics and think tanks, and
- banks

11. These consultations were carried out through different channels, including teleconference, written submissions, and in person meetings. They included engagement with Māori in Te Tairāwhiti (Uawa, Tolaga Bay and Tokomaru Bay), Te Tai Tokerau (Moerewa and Kawakawa) and Whanganui.

12. The Treasury also received feedback from the general public on this issue via the public consultation on the draft National Adaptation Plan (which specifically referred to and sought feedback on this issue).

What we heard

13. Some key themes we heard from public consultation were (those we heard this feedback from are noted in square brackets and bold):

   a **There are significant negative wellbeing impacts from flood damage, whether there is insurance in place or not.** We heard that flooding significantly affects many aspects of wellbeing – including economic and social – even if insurance is held. In particular, we heard that there are immense and lasting mental and social impacts faced by those that suffer flood damage to their homes. For example, we heard from Māori in flood prone communities that flooding has significant impacts across wairua (spirit and soul), hinengaro (mind), and tinana (physical person). **[Communities impacted by flooding, including Māori in those communities]**

   b **Insurance appears to be widely available currently, but this may not continue in the future.** We heard that insurance appears to be currently widely available, even in high flood risk areas. Only a small number of anecdotal examples were mentioned about homes being unable to get insurance due to flood risk.

   However, we were told that this is unlikely to continue (if risk reduction measures are not implemented) as information improves about those homes subject to flood risk and underlying flood risk increases due to climate change. [25] and [26]

   We also heard that there may be lower insurance uptake in certain areas even where insurance remains available (such as for some Māori in flood prone areas) due to high insurance costs and/or wider economic issues in those areas. **[Communities particularly impacted by flooding, including Māori in those communities; Insurers; Insurance brokers; Local government; Banks]**

   c **Losing (or the fear of losing) access to insurance due to high flood risk has significant wellbeing impacts.** We heard that there are immense and lasting mental and social impacts from ongoing insurance concerns. Losing access to insurance on a home is very significant for many families given their home is by far their largest asset. Homeowners were also concerned about how a loss of insurance might impact their ability to both stay in and sell their homes (given insurance is required for mortgages). Losing all home insurance (i.e., if insurers do not offer cover at all due to high flood risk, rather than just excluding flood cover, leaving people exposed to all hazards without any cover) is a concern for homeowners and communities, as other perils like fire are also a big risk for homeowners. We also heard that fear of future insurance loss may also be stopping some people from building in some communities. **[Communities particularly impacted by flooding, including Māori in those communities].**

   d **Affordability of insurance is a concern.** We heard that affordability is becoming an issue for higher flood risk homes and that there are fears that future flooding events (and associated insurance claims) may trigger significant increases in premiums. Insurance is already considered too expensive for some in flood-affected communities. **[Communities particularly impacted by flooding, including Māori in those communities]**

   e **Insurance is one component of a balanced approach to managing natural hazard risk and should not be thought of in isolation.** We heard that attention needs to be paid to other risk management choices across risk avoidance (land use planning and any future managed retreat policy), control (engineering solutions), and acceptance (post-event response). We also heard that an appropriate balance of risk management options for flood risk should in many cases seek to reduce underlying flood risk. Insurance by itself is unlikely to be the best long-term solution for areas subject to high flood risk as insurance does not reduce the long-term financial costs of flooding and many of the wellbeing costs of flooding are not insurable. **[Local government; Insurers; Think-Tanks; Academics]**

f **There is uncertainty as to what the best course of action is in the shorter term** given:

  i there is uncertainty about the actual impact of climate change on flooding at relatively local levels (including the extent and timing of changes to flood risk) given the localised nature of flood risk; and

  ii there is uncertainty about how wider society will adapt over the longer term to increased flood hazard risks, even under current settings (i.e., local councils building or improving flood defences). This is important because any flood defences or mitigations put in place in the future could address insurability issues for homes that would otherwise have occurred. Similarly, as changes to key system settings (e.g. the current resource management and climate change related reforms such as managed retreat) are still under development, there is uncertainty about the implications they may have at the local level. **[Local government; Insurers]**

g **The Government needs to be careful not to undermine the best long-run risk management approach**. We heard concerns about an insurance intervention softening important incentives for flood risk reduction (on government, individuals, and communities) which delays or defers necessary steps to better protect people and communities from flooding. **[Insurers, local government]**

h **Any Government intervention should be temporary and targeted.** We heard that, based on current levels of flood risk, a relatively small proportion of homes account for most flood claims [25] and [26]

Accordingly, we heard concerns about the possibility of the costs of (and risks associated with) an insurance intervention being disproportionate to the size of the problem, and that these costs would ultimately be passed onto consumers. **[Insurers]**

Framing the Issue

Problem and objective

14. We have further refined (in part informed by consultation feedback) how to consider this issue, which will inform our advice on options in October. In doing so we have considered the objective in the Government's National Adaptation Plan for "resilient people, places and systems that are able to adapt to the effects of unavoidable climate change in a fair, low-cost, and ordered manner".

[33]

[33]

18. We discuss key factors that support this framing below.

What is the nature of the problem caused by any abrupt shift to risk-based pricing?

19. There is and has been a widespread and longstanding approach in New Zealand for insurers to spread a large amount of the cost of flooding across all insured homeowners (known as community rating).

20. This approach is in part due to limitations with flood risk data making it difficult for insurers to price the flood risk for individual homes or areas. This has resulted in relatively affordable and widespread access to insurance for high flood risk homes – which is uncommon internationally. The choices made by society on how to best manage flood risk have been based on this longstanding insurance approach.[2]

21. Information and data about flood risks is improving. This will allow insurers to price flood risks more granularly. Such a move would essentially redistribute the cost of flood risk from lower to higher flood risk homes, where the risks reside.

22. Any significant and widespread move by the insurance industry to risk-based pricing would challenge the insurability of high flood risk homes, potentially resulting in higher premiums, loss of access to insurance, or lower 'quality' insurance (e.g., higher excesses) for those homes. Any loss of insurance due to high flood risk could also result in complete loss of insurance for all perils (including fire) in the shorter term until insurers adjust their practices. This is because home flood insurance is usually bundled with insurance for all perils.

23. Such a shift, or even the expectation of such a shift, by the insurance industry will have both positive and negative impacts, including on:

    a *Incentives:* risk-based pricing is likely to improve incentives to manage or avoid exposure to the costs of high flood risk. We expect the impact on incentives to be greater where insurance premiums increase substantially and where insurance access is lost entirely. This may be a longer-term benefit given: (i) there are limited

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[2] Including choosing an appropriate balance of risk management options to: (i) reduce underlying flood risk, including risk avoidance (e.g. land use planning); (ii) control the flood risk (e.g. engineering solutions); (iii) accept the risk (post-event response); and (iv) transfer that risk via insurance.

options available (other than insurance) to effectively manage flood risks in the shorter term; and (ii) it is not always clear what the best course of action is given current uncertainty about longer term system settings (including any changes arising from the current resource management and climate change related reforms (e.g., managed retreat)).

b *Wellbeing:* the wellbeing of those in high flood risk areas is likely to be negatively impacted by risk-based pricing, particularly in the shorter term. This is because of (i) loss of consumption potential (due to increased premiums); (ii) loss of wealth (due to reduced property values); (iii) negative health impacts (i.e. stress, anxiety, and community displacement), (iv) negative cultural impacts (i.e. if unable to rebuild homes and places of significant cultural value or belonging), (v) loss of housing (i.e. if unable to fund the rebuild / repairs); and (vi) reduced resilience (i.e. if insurance is unavailable to fund rebuild and repairs following flood damage).

c *Crown fiscal position:* any resulting un- or under- insurance caused by risk-based pricing could increase the implicit fiscal risk to the Crown of supporting those homeowners after a flooding event. However, we consider this risk smaller than other comparative risks (e.g., for earthquakes) due to the localised nature of flooding.

24. These impacts will be greater if the shift to risk-based pricing is more abrupt (sudden and unexpected), large, and widespread. This is because of the challenges homeowners would face to readjust their affairs to manage flood risk in the short-term.

How big might this problem be?

25. The size of the problem is a function of a number of factors, including: (i) how significant the resulting changes to flood insurance may be (e.g., the expected size of changes in insurance premiums); (ii) how abrupt the changes may be; (iii) the total number of homeowners affected by significant and abrupt changes; (iv) the impact on individual homeowners.

How many homes could face significant changes to their insurance from a shift to risk-based pricing?

26. A widespread move by insurers to risk-based pricing approach for flood risk would result in a relatively small number of homeowners facing significant negative changes to their insurance in the short-term (significant increases in premiums or loss of insurance entirely). [25] and [26]

27. [25] and [26]

a [25] and [26]

b [25] and [26]

c [25] and [26]

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3 [25] and [26]

d [25] and [26]

28. Homes with the highest risk may no longer be offered insurance at all, but we do not have information on how many.

29. While a relatively small proportion of homes are affected, the impact would still be significant for those homeowners. Also, the distribution of impacts is likely to differ nationally, with some geographic areas having a higher concentration of affected homes. Further, we have some data indicating there may currently be a marginally disproportionate (compared to other groups) correlation between the following: (i) lower income and higher river flood risk; (ii) deprivation and higher river flood risk; and (iii) Māori and flood risk. However, the materiality of these correlations is relatively unclear.

30. The threshold at which a negative change to insurance (e.g., increases in premiums) is considered significant (or not) is relatively subjective. There are also related challenges of determining whether an increase in premium (or total level of premium) is considered 'affordable' or not. For example, the affordability of insurance is in large part idiosyncratic to the homeowner (including their income and wealth). Premiums are also a function of the sum insured (i.e., larger homes will have higher premiums), and there are several other factors that may materially impact changes in premiums in the near term (e.g., increases in building costs and inflation).

How abrupt might any shift to risk-based pricing be?

31. We expect that many homes will face a transition with some degree of insurer-led smoothing. [25] and [26]

32. Homes that face the greatest flood risk will likely face the most sudden changes to their insurance. This is because the commercial drivers on insurers to smooth the transition will not be as great (i.e. these homes cause the greater losses and insurers may be more willing to lose them). Also, it is the most high-risk homes that are expected to lose access to insurance entirely (rather than, for example, facing increased premiums). On the other hand, it is reasonable to expect that those homes with the greatest flood risk should be more likely to have foreseen insurability issues compared with homes that face lower flood risk.

33. There is uncertainty about how any widespread transition to risk-based pricing by the insurance industry for home flood insurance may occur, including how abrupt (sudden and unexpected) this transition may be for homeowners. It is likely that the nature of any such transition will vary from home to home – with homeowners who unexpectedly find themselves unable to access insurance facing the greatest negative impacts.

When is the home insurance market likely to shift to risk-based pricing, and when should government respond?

34. We judge there to be a low probability of a significant and widespread shift to risk-based pricing for home flood insurance in the next two years. This is due to technological and reputational constraints faced by insurers and [25] and [26]

35. [33]

[33]

How should climate change impacts be considered?

40. The impact of climate change exacerbated flood risk in the longer term has implications for the response to risk-based pricing now.

41. While climate change is not expected to materially impact the insurability of homes against flooding in the short-term (because insurers provide one-year cover whereas climate change impacts are likely to increase gradually with significant uncertainty – particularly at local levels), we expect climate change impacts will be factored into insurer pricing over the longer term as localised impacts become clearer.

42. This means the climate change exacerbated flood risk (including sea level rise) will:

    a further incentivise insurers to risk-price for flooding.

    b amplify the impact of the shift to risk-based pricing for homes with relatively higher flood risk; and

    c increase political economy pressures to make any temporary insurance intervention permanent to address the ongoing transition to increased climate change exacerbated flood risk or expand coverage to a broader range of assets.

43. An insurance intervention may be a potential policy lever to consider as the Government's wider climate adaptation policies are developed – and we will continue to engage in and support those policy processes. In addition, as part of our work to monitor the impact of the increase to the EQC cap, we will provide further advice in mid-2023 (when our insurance market monitoring work is reviewed) on opportunities for enhanced monitoring of shifts in the insurance market arising from risks exacerbated by climate change.

What are the options to support insurance access and affordability through Government support for risk reduction measures?

44. The more flood risk is avoided or controlled, the less the residual risk to insure – which indirectly supports access and affordability of insurance. The focus areas in the National Adaptation Plan (information to enabling better risk-informed decisions, driving climate-resilient development in the right locations, and adaptation options including managed retreat) all help to avoid and control flood risk.

45. Policy work on climate adaptation is ongoing. It includes a range of measure which will indirectly support insurance access and affordability, including managed retreat, adaptation funding and financing, and co-investment in local government flood protection. [33]

Options Assessment Criteria

46. We have developed draft criteria to support an assessment of the merits of different options. These criteria will be used when the Treasury provides its next advice to Ministers in October.

47. We propose to assess potential intervention options against the following <u>draft</u> criteria:

[39]

48. The distributional impacts and the Crown's obligations under the Treaty of Waitangi will also be considered when advice is developed.

Scope of Assets Considered

49. Consultation raised questions about the appropriate scope of assets considered through this work.

50. To date, we have focussed on residential home insurance only, and not wider asset classes such as commercial property, small business assets, home contents, and local council assets. We recognise that any move to risk-based pricing for floods may also challenge the insurability of other assets with negative implications for those affected. However, public feedback on the draft National Adaptation Plan indicated support for any Government intervention being prioritised towards homes.

[33]

[33]

52. [33] We heard in our engagements that some marae currently face insurability challenges (difficulty obtaining insurance and / or high insurance costs), in some cases due to being subject to high flood risk, with associated negative implications for Māori. While not solely residential in nature, marae are used for residential purposes. In preparing this advice, we will consider the Crown's obligations under the Treaty of Waitangi.

Agency Consultation

53. The Treasury consulted the Ministry for the Environment, the Department of Internal Affairs, the Earthquake Commission, the Ministry of Business, Innovation and Employment, the National Emergency Management Agency, the Reserve Bank of New Zealand, Te Tūāpapa Kura Kāinga the Ministry of Housing and Urban Development, Te Puni Kōkiri, the Ministry of Social Development, the Financial Markets Authority and the Commerce Commission on this report.
54. We informed the Department of the Prime Minister and Cabinet.

Next Steps

55. Following your feedback on the framing of the issue (the problem, objectives and criteria) set out in this report, we are scheduled to meet with the Minister of Finance and Associate Minister of Finance (Hon Kiri Allan) to discuss climate adaptation, including flood insurance on 1 September. We will work with the Office of the Minister Responsible for the EQC to schedule a meeting (if the Minister agrees).
56. The Treasury intends to provide advice in October on options to address residential flood insurability issues (e.g. Flood Re) and whether to proceed with the development of any options. We will continue targeted consultation with insurers to inform our next advice to you on options.
57. Following the October advice, we are planning to support you to take a paper to Cabinet by the end of 2022, and, if the Government proceeds with an intervention, developing and confirming the detailed design of the preferred option by mid-2023.

[33]