

Financial resilience in a disadvantaged area

The Resilient Roch project is conducting innovative work to enhance (financial) flood resilience by improving access to affordable residential property insurance products that are appropriate for the needs of communities at high levels of flood risk.

Flooding can be devastating for local communities, destroying homes and having huge social and economic impacts.

Property insurance is a vital asset to boost financial resilience and to help communities deal with the impacts of any number of threats, including flooding. Insurers help people manage the financial impacts of flooding, assist with immediate humanitarian and re-homing needs, and can help reconstruction in the months after a flood. But many people at significant flood risk do not have adequate insurance cover, being either uninsured, under-insured, or perhaps with (often unacknowledged) flooding or storm exemptions or high excesses.

Resilient Roch

The **Resilient Roch Project** undertook research to identify the extent of the financial resilience - and more particularly, the insurance challenges – in Rochdale. Surveys here showed roughly a three-way split for residential property insurance uptake: one third of residents surveyed have insurance, one third do not and around one third report ‘not knowing’ if they have insurance or not. Interviews with Rochdale Boroughwide Housing (RBH) and social housing insurance providers Aon have corroborated these findings. They reported that around 15% of RBH tenants have Aon insurance, with a further 20% taking insurance from alternative providers. Though around two-thirds of tenants do not have any contents insurance, we have anecdotally been told that this compares favourably with a national figure which is believed by some to be as low as 5%.

Why do people not have insurance?

The Rochdale [Flood Poverty Project](#) highlights challenges in accessing residential property insurance. Those with digital skills, good English, and financial confidence can purchase insurance online. But many do not have these attributes. Younger individuals often misunderstand the value of insurance, assuming landlords provide cover, and therefore fail to buy policies. In contrast, it was reported that a high proportion of insurance broker business in Rochdale was with older generations through long-standing relationships.

Enhancing financial resilience

The Project identifies three crucial factors influencing insurance uptake: **accessibility**, **affordability**, and **appropriateness**. These are interconnected with a lack of understanding of the value of insurance for financial resilience, particularly in younger people.

Innovation

The Project tests and promotes a new model for the integration of insurance for financial resilience. It highlights three key factors affecting insurance uptake: **accessibility**, **affordability**, and **appropriateness**.

Accessibility

- Where there are barriers to people taking out insurance digitally, insurance brokers on the high street provide the only real alternative. The loss of high street brokers creates a direct barrier to people taking out residential property insurance and is therefore a priority for the Resilient Roch Project.

Affordability

- A practical challenge for people, especially in more deprived areas, is insurance affordability. The integration of knowledge of insurance to those already offering money management and debt services, as well as others that have direct contact with residents, is therefore vital.

Appropriateness

- Most insurance policies aren't suited for low-income individuals. Bank and comparison website provided policies may not meet their needs. Only two brokers offer products for social housing tenants. It is important to support and expand eligibility for these schemes.

Our approach in Rochdale – Accessibility, Affordability & Appropriateness

Our work is based on the principle that the delivery of innovation for insurance should go beyond 'the usual suspects' (e.g. Risk Management Authorities) and the 'usual means'. Instead, we should map activities onto already existing programmes and work with existing actors and networks already in contact with communities to provide them with the skills and knowledge to enable them to signpost people to the right insurance services.

"Insurance is usually something that is delivered to individuals. But in Rochdale we're trailing a new model. We're working in an area where there are very few brokers, and low uptake and we're identifying facilitators that can play that brokerage kind of role".

Paul Cobbing – Financial Resilience work package lead

The Resilient Rochdale Project has worked with Royton Insurance Brokers and the British Insurance Broker Association to develop a training workshop. This has been delivered with organisations that work with communities on the ground so that they have the skills and knowledge to signpost people to the right sources of advice. In particular, they are able to talk to people about the value of insurance and how to get it, as part of their day to day work. These include the local Citizens Advice Bureau team, Rochdale Borough Housing Team, JBA, Groundwork and local flood resilience installation contractors, Watertight.

In addition, a variety of engagement processes have been used alongside the workshops, including:

- A series of questions about insurance as part of the property flood resilience surveys.
- Leaflets about property insurance were included in homeowners property level resilience handover packs.
- The drafting of guidance and information property insurance published on the RBC website.
- Promotion of insurance during community events.
- Enhanced capability of the Housing drop-in centre team to signpost people for further advice/information regarding insurance.
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The team are keen to share our experience and resources with others, including insurers, local authorities, social housing providers, community workers, etc.

For further information please contact the Resilient Roch Project
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Flood and coastal resilience innovation programme

Part of the £200m
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