

Private Public Partnerships in the flood insurance sector - Possibilities for a policy transfer from the United Kingdom to Germany

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This thesis examines the evolution of the Flood Risk Management System in Germany in the aftermath of floods and assesses the usability of private public partnerships (subsequently also PPP) in Germany in order to improve the current process. In the United Kingdom, Flood Re, a re-insurance partnership between the public sector and the association of British insurers, is carried out. The question is, whether establishing a PPP-resembling reinsurance mechanism like in the UK in Germany would help in contributing to the penetration rate of flood insurance or would be able to lower the cost of flood insurance.

The objective of this thesis is to argumentatively test the applicability of a system like Flood Re on the German natural hazard insurance market.

A literature analysis was conducted for this thesis to understand and depict the German flood management, the recent flood history, the German insurance system with focus on the natural hazard insurance, the ongoing discussions around it and to sketch out the frameworks of flood management. Then it is argued whether the British flood insurance system would fit into the current German system, and under what circumstances or what necessary alterations would need to be made in order for a Flood Re similar system to fit the German situation

This thesis suggest Germany to introduce a flood reinsurance system according to the UK's example of a semi-obligatory flood insurance with an option for state-subsidy as incentive for private prevention measures. To tackle the deficit of the original British Flood Re scheme of not giving any incentives for private households to take up property level prevention measures, this thesis suggests giving the option of receiving state subsidy to pay insurance premiums for those households which take up property level prevention measures.