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Jonathan Faull
Internal Market & Services Directorate
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30th July 2013

Dear Jonathan

Green Paper on the Insurance of National and Man-Made Disasters

I am writing in relation to DG MARKT's recent Green Paper on disaster insurance. We read the consultation with interest, particularly against the backdrop of various catastrophic events across Member States in recent years.

With the largest insurance sector in Europe, the Green Paper is particularly relevant to the UK. And insurance is a vital component of our disaster recovery strategy for citizens and business affected by unpredictable devastating events. Every year, nearly 80% of UK households buy or renew insurance products to protect their homes, businesses and belongings. The UK insurance market relies on hundreds of years' experience in leading innovation to create an array of tailored insurance products to suit different consumer needs.

Having engaged with the UK insurance industry about the Green Paper, we are concerned that any attempt to harmonise insurance regulations or product types could damage the potential for competition and innovation in this sector. The natural and man-made vulnerabilities of different Member States vary substantially, and therefore so do the requirements of consumers in these Member States. In order to cater for these radically different consumer demands, it is essential that we maintain a regulatory environment that fosters competition to deliver new and improved product types.

While the Green Paper is helpful in identifying key issues around insurance of disasters, we do not see sufficient rationale to support EU level intervention in this area. There does not appear to be any evidence that harmonisation would help Member States deal with the unique complexities of disaster management in their domestic environment. In the UK, we are confident that our range of insurance products and a robustly competitive

marketplace provides the best choice and level of protection needed for the domestic disasters we face.

Some of the options included in the Green Paper may of course be of interest to Member States, particularly those who do not already have a sophisticated and widely used disaster insurance market. However, we feel strongly that it should be for each Member State to explore these options and determine at the domestic level whether Government action is required.

I hope you find this response useful, alongside those from the UK insurance industry. I would be happy to share further information about the disaster insurance market in the UK if you would find this helpful.

Yours sincerely

A handwritten signature in black ink that reads "Charles Roxburgh." The signature is written in a cursive, slightly slanted style.

Charles Roxburgh