

PRESS RELEASE

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France Assureurs, CCR and Mission Risques Naturels launch ‘*Initiative Sécheresse*’ (The Drought Initiative)

- **France Assureurs, CCR and Mission Risques Naturels (MRN) are launching “*Initiative Sécheresse*”, a project designed to protect detached houses against drought.**
- **Climate change is amplifying the drought phenomena that cause clay shrinkage and swelling (CSS), leading to cracks in houses.**
- **This industry-led initiative will assess prevention and protective measures, along with the repair methods endorsed by experts, for over 300 houses. The aim is to identify the most effective and sustainable solutions.**

For several years now, climate disturbance has been causing widespread drought across France. These occurrences lead to cracks in detached houses constructed on clay-rich soils. These soils shrink during periods of severe drought and then swell, similar to a sponge, when subjected to heavy rainfall. In total, over half of all detached houses in France, amounting to 11.1 million, may face the risk of being affected, with 3.3 million of them potentially experiencing significant impacts. Families may encounter challenging and even distressing circumstances as the walls of their homes develop cracks. In some cases, families are compelled to vacate their dwellings, which have become uninhabitable.

The geographical extension of the CSS phenomenon is a cause for concern for our fellow citizens. The regions traditionally affected, spanning from Var to Centre-Val de Loire via the Garonne basin, are growing in scope due to the exacerbation of climate disruptions. This expansion now encompasses regions such as Grand-Est, Bourgogne-Franche-Comté, and Auvergne-Rhône-Alpes.

As evidence, the cost of claims associated with this phenomenon has surged significantly, increasing from an annual average of €400 million between 1989 and 2015 to an annual average of €1 billion between 2016 and 2020. For 2022, the cost of claims is estimated at more than €3 billion, a record since the creation of the natural catastrophe compensation scheme.

The 'Drought Initiative', a project launched today by France Assureurs, CCR and MRN, aims to evaluate prevention and repair solutions for detached homes over time. This encompasses both homes that have experienced damage and homes that, while not yet damaged, are vulnerable to the CSS phenomenon.

Over a five-year period, the project will be rolled out to more than 300 houses selected on the basis of their comparable situation (soil composition, building structure, etc.) across the country:

- 100 houses to analyse the effects of prevention solutions over time;
- 200 houses to analyse the progressions of repair solutions over time.

In collaboration with willing policyholders, the objective is to deploy preventive and protective solutions alongside the expert-recommended repair methods. The impact and evolution of these measures will be assessed over time using suitable instrumentation and analysis. There are four families of prevention and additional protective solutions under consideration

- soil rehydration, involving the injection of water near foundations during periods of drought.
- soil protection, entailing the installation of foundation containment systems including geomembranes, anti-root screens, drainage systems, and more.
- soil treatment, encompassing the injection of a solution near the foundations.
- underpinning, with the installation of micropiles or stringers at foundation level.

At the end of this initiative, a full review will be carried out, with annual progress reports to identify the most appropriate measures over time to strengthen the resilience of detached houses.

This initiative addresses a number of key issues:

- a challenge to develop the resilience of detached houses to CSS risk;
- a long-term CSS risk management challenge for policyholders, insurers and the State in the context of climate disruption.

This initiative has been synchronised with the offices of Bruno Le Maire, who serves as the French Minister for the Economy, Finance, and Industrial and Digital Sovereignty. It has also been submitted as part of France 2030's call for projects on "Prevention and Remediation of Construction Disorders caused by Clay Shrinkage and Swelling (CSS)". Operated by ADEME on behalf of the French government, this call for projects aims to strengthen France's position in the fight against climate change and improve its ability to withstand the consequences of climate change.

According to **Florence Lustman, Chairwoman of France Assureurs**: *"The insurance industry is at the forefront of climate change. Our approach, which combines prevention and repair tools to improve the resilience of detached homes in the long run, is core to our mission to protect our policyholders. In collaboration with CCR and MRN, our goal is to enhance our understanding of drought-related risks, enabling us to provide the French population with preventive measures and repair solutions that are commensurate with the challenge at hand."*

According to **Edouard Vieillefond, Chief Executive Officer of CCR**: *"We are facing substantial changes that require the identification of effective and enduring solutions for French citizens whose properties are experiencing the repercussions of drought. This quest for solutions is a collective necessity, and I am pleased to announce the launch of this project today in collaboration with France Assureurs and MRN. Our ambition is to ensure that the natural catastrophe scheme can continue fulfilling its mission of national solidarity."*

According to **Pierre Lacoste, Chairman of Mission Risques Naturels**: “*Enhancing the resilience of buildings in response to increasingly intense, frequent, and widespread droughts is a challenge that unites all stakeholders in the ecosystem. That’s why MRN is proud to collaborate with France Assureurs and CCR on this significant project, which will establish the groundwork for a comprehensive claims prevention and repair strategy that benefits all French people.*”

About France Assureurs

France Assureurs is the common name of the French Insurance Federation, which brings together 252 insurance and reinsurance companies representing 99% of the market of companies governed by the French Code of Insurance.

Insurance is at the heart of society’s issues: as such, France Assureurs is designed to take an active part in public debate. It is the privileged interlocutor of public authorities, administrations and the media on insurance-related issues, in France and abroad, for any matters involving prevention, protection, investment or employment. The statistical data it centralises and its expertise enable it to support its members in the changes of the sector. France Assureurs relies on a network of correspondents throughout France to support local elected officials in the event of a major event, to promote the insurance industry and to relay the sector’s positions.

“Rallying all the energies of the insurance industry to help society move forward confidently” is the *raison d’être* of France Assureurs.

France Assureurs - Faire avancer la société en confiance¹, is a brand of the French Insurance Federation

About MRN

Mission Risques Naturels (MRN) is a French non-profit organisation founded by the insurance industry in 2000. Its purpose is to facilitate the insurance industry’s engagement in enhancing understanding, prevention, and adaptation to both present and future natural risks. As part of its mission, MRN carries out institutional, technical, scientific, educational and documentary activities. It serves as a platform for members to engage in reflection, analysis, and the exchange of ideas. It develops innovative services and tools aimed at enhancing understanding and reducing the vulnerability of challenges exposed to natural hazards. It analyses the claims experience associated with the consequences of these natural hazards, delivering crucial insights for the common good. It conducts and supports communication, information and training initiatives on natural hazards for the industry, the public, professional organisations and public authorities. Lastly, MRN maintains strong connections and forges partnerships with a variety of stakeholders involved in natural risk management.

About CCR

As a public reinsurer dedicated to serving the public interest, CCR offers insurance companies operating in France state-backed coverage against natural catastrophes and other extraordinary risks. CCR collects extensive data on extreme risks and insured assets, modelling these risks and sharing its knowledge with the government and the market for better prevention. CCR is also responsible for the accounting and financial management of public funds on behalf of the French State.

On 16 June, the French President issued a decree appointing Edouard Vieillefond as Chief Executive Officer of CCR effective from 1 July 2023.

¹ Moving society forward confidently

**France Assureurs and MRN Press
Contacts**

Jean-Baptiste Mounier

jb.mounier@franceassureurs.fr

+33 (0) 6 76 52 26 55

Nadiera Caille

n.caille@franceassureurs.fr

+ 33 (0) 6 79 05 75 04

CCR Press Contacts

Agathe Le Bars - Taddeo

agathe.lebars@taddeo.fr

+ 33 (0) 6 73 12 28 24