



INTENSE RAINFALL, RISING SEA LEVELS AND SEVERE STORMS

MAINTAIN CONTINGENCY PLANNING CAPABILITY

NI Water must ensure that the highest levels of services to customers are maintained regardless of disruptions to the infrastructure or facilities.

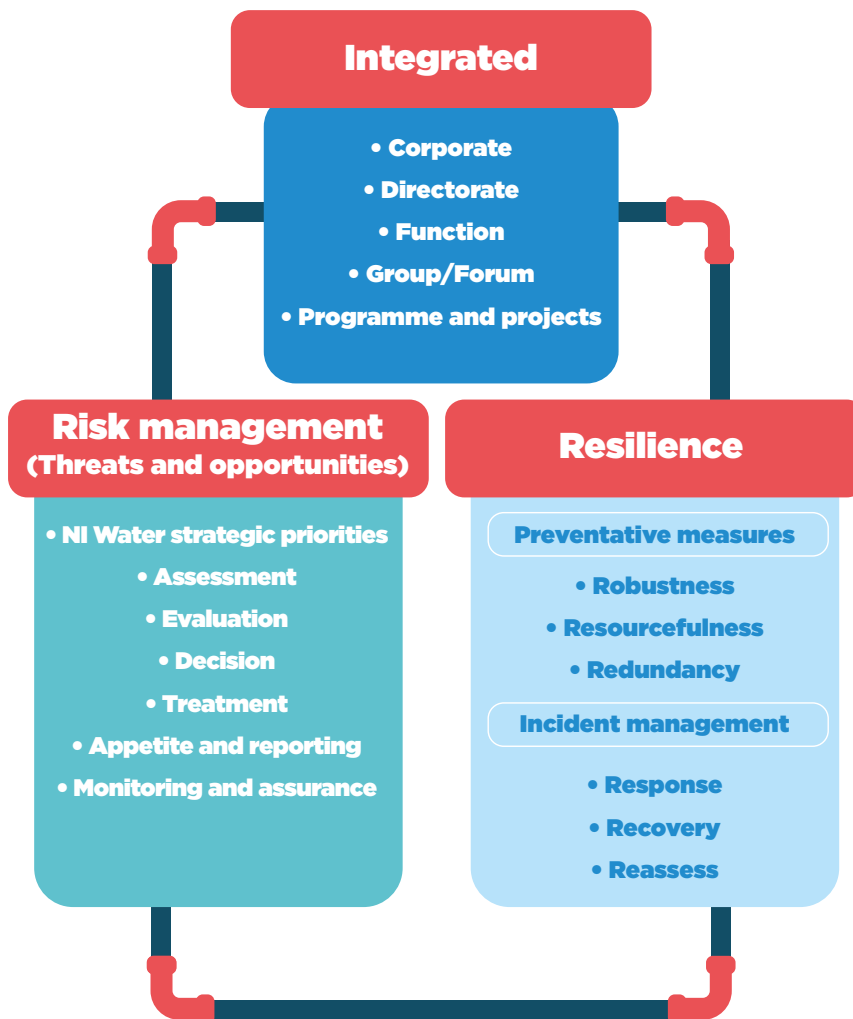
NI Water has a statutory duty to carry out risk assessments and to have robust major incident and business continuity arrangements in place to manage disruptions to the delivery of service and to have plans for recovery after the disruption.

NI Water uses an integrated approach to risk and resilience as shown below:

NI Water’s major incident plan and business continuity management frameworks draw on the above approach and are continually being updated to reflect best practice and key learning points from annual testing, exercises, and previous incidents.

NI Water’s commercial insurance programme forms part of our integrated risk and resilience model.

NI Water’s integrated risk and resilience model



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PIONEERING PARAMETRIC INSURANCE

An example of an innovative approach to improving resilience is the implementation of parametric insurance. Following several significant freeze-thaw events, NI Water looked for an alternative insurance solution to enhance its ability to improve disaster response and recovery timeliness. Traditional insurance covers only structural damage from weather events with no aid for the response and recovery process. Parametric insurance pays on pre-agreed metrics such as temperature indices. It guarantees quick payment for valid claims as there is no need to investigate the circumstances in detail. NI Water's 'Freeze and Immediate Thaw' parametric was triggered in 2018, 2020 and 2021.



Freezing conditions in Northern Ireland in 2010/11.

We also put in place 'Drought' parametric insurance to cover prolonged high temperatures and lack of rainfall in 2021, which was triggered in the summer of 2021. We are developing a 'Flood' parametric insurance programme to cover the increased cost of working in water extraction and production.

This demonstrates the importance of having an effective insurance risk transfer solution to manage external risk factors that are beyond NI Water's control.

We will maintain our contingency planning capability to ensure the highest level of service to customers.