

The view from the hut: high, dirty water and a river unlikely to be fishable for days.



# IT'S A WASHOUT

Foul-weather insurance is available to the shooting fraternity, so why can't we salmon-fishers insure against our sport being ruined by a dirty brown flood?

*Edward Murray* investigates

**I**S THERE ANYTHING more depressing than arriving at a river only to find a rain-swollen brown torrent flushing any hopes of fishing clean out to sea?

Well, very possibly. How about the moment you realise the money you paid for your fishing is also well and truly up the spout?

If the rain gods go against you, there is really very little comfort to be had. Beat owners do not reimburse tenants if they are flooded off and there is no insurance available to safeguard against such an eventuality.

It is a risk borne in full by anglers and one that many are disgruntled at having to shoulder. This frustration is particularly understandable when rods can cost more than £1,000 per day on the most expensive beats.

If you are washed off, some beat owners will try to offer alternative fishing and slot you into the diary at a later date.

However, this is completely at their discretion and entirely subject to availability.

A more reliable response is needed and many remain mystified as to why the insurance market has not come up with a workable solution. After all, if underwriters at Lloyd's can insure everything from celebrities' body parts to elephants in transit, surely they can come up with a policy to cover salmon fishermen when the heavens open?

Indeed, foul-weather insurance is already available and widely used by the shooting fraternity. It pays out in the event of shoots being cancelled due to driving rain or fog and can also include cover against snow disrupting the day.

Premiums can cost anything up to 11 per cent of the value of the shooting insured and, although the insurance might be costly, it is certainly within the bounds of affordability.

So just what is preventing underwriters from producing a

similar policy for anglers? In short, the answer is a lack of data. To accurately price an insurance policy, underwriters need statistics relating to the size and frequency of potential losses.

They can then strike a balance between what the insurance policy will cover, the premium charged and the claims that have to be paid.

Information is readily available on the cost of fishing and there is also bountiful data available on rainfall and river levels. However, there is no data on how water levels translate into cancelled days – and this is the major stumbling block.

To design a policy, underwriters would need to have monthly figures detailing the total number of rods that were let by a beat, the total number of days that were unfishable, the reasons why they were unfishable and the value of those lost days.

In possession of such information for a ten-year period, it is then relatively straightforward to work out a reliable figure for how many days a beat loses to flooding, the cost of the fishing lost and the premium required to square the circle.

Then there is the small matter of actually selling the insurance, and insurers would need to sell a certain number of policies to make the whole thing viable.

Rob Wood, an underwriter at HCC International, explains: "You might have 75 rods in a month on a beat on the Tweed. If only two of those 75 buy the policy then it is virtually impossible for us to come up with a realistic premium. However, if you are insuring the beat as a whole then you can balance the premium for all 75 rods against the anticipated loss."

If the insurance were sold directly to fishermen, not all would buy it and those who did would buy policies to cover the wettest months of the year. This would skew the cost of the insurance and make it unaffordable.

However, if the beat were insured in its entirety, the cost could be spread across all of the rods. This would guarantee a certain level of income for the insurer and bring down the average cost for each angler.

Individual beat owners would have to decide whether their tenants would be happy to take on this extra cost and whether they would actually value getting a refund when flooded off. Similarly they would have to weigh up whether the cost of such insurance made them uncompetitive with rival beats.

Other issues to unravel include what the insurance would cover and the actual definition of being flooded off. Is it when the water hits a certain height or loses a certain amount of clarity – and who determines this? If fly-fishing is out, but spinning is still possible, does that constitute a lost day? What about if fishing is not possible in the morning, but the river has fined down by

the afternoon, enabling rods to enjoy some sport?

In many ways these issues actually become irrelevant in the face of detailed statistics outlining the specific reasons why a beat has had to cancel a day's fishing. So long as the information is available, underwriters can price for any eventuality. It is then a matter of whether the insurance is actually affordable and provides a useful level of cover.

In truth, any insurance is only likely to pay out if conditions have prevented anglers from wetting their lines at all and the arbiter of that would have to be the gillie or beat owner.

If needed, their decision could then be validated by rainfall and river-level records from the likes of the Met Office and the Scottish Environment Protection Agency.

However, because of the potential cost of the premium in relation to the fishing taken, the relatively small number of days completely lost to flooding and the difficulties of coming up with an insurance policy that works effectively for everyone, Hugh Campbell Adamson, owner of the Stracathro beat on the North Esk, does not think such insurance would be viable on 90 per cent of Scotland's salmon rivers. Instead he is one of the owners who tries, where possible, to offer alternative fishing to tenants when flooded off.

On rivers like the Tweed, however, such cover may be not only viable, but it

may also be attractive to fishermen looking to protect the hefty outlays they have made in buying fishing worth thousands of pounds.

Beat owners may also feel that such insurance would enable them to offer something extra to clients and make them more attractive to prospective tenants.

Certainly Mark Merison, head of the sporting department at Strutt & Parker, says he would be keen to have access to such insurance and would readily recommend it to clients paying for

fishing at the higher end of the scale.

Insurance broker Tim Courtney of Robins Row says he would also love to offer insurance to anglers alongside the foul-weather cover he already offers to shooting parties.

At the moment, you pay your money and you take your chance. However, if beat owners were prepared to dig out and present information about the number of days cancelled each season, and the reasons behind these cancellations, insurers could possibly design a policy that was both practical and affordable in the event of being flooded off.

As Mr Courtney says: "The statistical data will allow us to produce a policy and a premium, and after that we can put our toe in the water and see what happens."

● *Edward Murray is a financial journalist specialising in the insurance and personal finance sectors. He is also an avid fly-fisherman.*



A raging flood on the Tweed at Kelso, when an insurance claim might ease some of the pain.

STEPHEN HOWARD

"If the beat were insured in its entirety, the cost could be spread across all of the rods"