

FLOOD FACTS

A newsletter for agents of American Bankers Insurance Company of Florida / American Reliable Insurance Company.



ASSURANT
Specialty
Property

April 2007

Claims Information

American Bankers Insurance
Company of Florida
American Reliable Insurance
Company

Flood Claim Center
8655 E Via De Ventura
Scottsdale, AZ 85258

Phone

1-800-245-1505

Fax

1-800-224-4170

Hours of operation:

Mon-Fri 5:30am-5:00pm PST

Claim status, please call:

1-800-245-1505

If you need help to submit a claim via AccessFlood, call the Flood Service Center at 1-800-423-4403.

www.floodsmart.gov

An official site of the National Flood Insurance Program (NFIP)

WATERMARK is published 3 times a year by the National Flood Insurance Program (NFIP). The current issue and selected back issues of *Watermark* are available at:

www.fema.gov/business/nfip/wm.shtm

The Flood Facts is available on the new website at www.abicarciflood.com.

POLICY EFFECTIVE DATE – CLARIFICATION

PER THE NATIONAL FLOOD INSURANCE PROGRAM MANUAL GENERAL RULES SECTION - PAGE GR 8

There is a standard 30-day waiting period for new applications and for endorsements to increase coverage.

If the application or endorsement form and the premium payment are received at American Bankers Insurance Company of Florida / American Reliable Insurance Company *within 10 days* from the date of application or endorsement request, or if mailed by certified mail within 4 days from the date of application or endorsement request, then the waiting period will be calculated from **the application or endorsement date**.

If the application or endorsement form and the premium payment are received at American Bankers Insurance Company of Florida / American Reliable Insurance Company *after 10 days* from the date of application or endorsement request, or are not mailed certified mail within 4 days from the date of application or endorsement request, then the waiting period will be calculated from the *date American Bankers Company of Florida / American Reliable Insurance receives the application or endorsement*.

PER THE NATIONAL FLOOD INSURANCE PROGRAM UNDERWRITERS

The loan close date requested will be honored if the application and premium are received within 10 days or mailed certified mail within 4 days from the date of application or endorsement request. If the application and premium are received after 10 days, the receipt date is the effective date **unless** closing documents are included. The presentation of premium must be received on or prior to closing to honor the closing date.

Contact Information

New Business Applications, Rollovers, Endorsements, Cancellations and Other Correspondence

American Bankers Insurance Company of Florida
 American Reliable Insurance Company
 Flood Service Center
 PO Box 4337
 Scottsdale, AZ 85261-4337

Overnight Mail

American Bankers Insurance Company of Florida
 American Reliable Insurance Company
 Flood Service Center
 8655 E Via De Ventura
 Scottsdale, AZ 85258

[Flood Service Center](#)

Phone

1-800-423-4403

Fax

1-714-712-3842

E-mail

flood.service.center@assurant.com

Hours of Operation

Mon-Fri 5:30am-4:30pm MST

Lockbox Address for

Renewal Payments Only

American Bankers Insurance Company of Florida
 American Reliable Insurance Company
 PO Box 8437
 Philadelphia, PA 19101

[2007 Holiday Schedule](#)

Our office will be closed:

May 28 – Memorial Day
 July 4 – Independence Day
 September 3 – Labor Day
 November 22 – Thanksgiving
 November 23 - Thanksgiving
 December 24 – Christmas Eve
 December 25 – Christmas Day
 December 31 – New Year’s Eve

Continuing Education Requirements

The following States are **taking various actions to establish training requirements for insurance agents who sell flood insurance**, as outline in Section 207 of the Flood Insurance Reform Act of 2004. Please click on the link: http://www.fema.gov/business/nfip/state_actions.shtm to read exactly what your State is requiring for training:

<u>Alabama</u>	<u>Alaska</u>	<u>Arizona</u>	<u>Arkansas</u>
<u>California</u>	<u>Connecticut</u>	<u>Delaware</u>	<u>Florida</u>
<u>Hawaii</u>	<u>Idaho</u>	<u>Iowa</u>	<u>Kansas</u>
<u>Kentucky</u>	<u>Louisiana</u>	<u>Maine</u>	<u>Maryland</u>
<u>Massachusetts</u>	Mississippi	<u>Missouri</u>	<u>Nebraska</u>
<u>Nevada</u>	<u>New Hampshire</u>	<u>New Jersey</u>	<u>North Carolina</u>
<u>North Dakota</u>	<u>Ohio</u>	<u>Pennsylvania</u>	<u>Rhode Island</u>
<u>South Dakota</u>	<u>Tennessee</u>	<u>Texas</u>	<u>Utah</u>
<u>Virginia</u>	<u>Washington</u>	<u>West Virginia</u>	

- **NEW:** Mississippi – Bulletin 2007-2, dated March 21, 2007.

TRAINING OPTIONS:

American Bankers Insurance Company of Florida and American Reliable Insurance Company offer two different Flood Insurance Training Classes for our agents and producers:

- The Fundamentals of Flood Insurance class is 4 hours (4 CE Credits) in most states.
- Advanced Flood Insurance class that is 4 hours (4 CE Credits).

For more information on our CE Classes, please contact, Patty Latshaw @ 800-423-4403 x520 or by email: Patricia.Latshaw@Assurant.com.

NEW STATES ADDED – FEMA Online “Basic Agent Training” is approved for 3 CE Credits for the following States:

<u>Alabama</u>	<u>Alaska</u>	<u>Arizona</u>	<u>Arkansas</u>
<u>California</u>	<u>Colorado</u>	<u>Florida</u>	<u>Georgia</u>
<u>Hawaii</u>	<u>Idaho</u>	<u>Illinois</u>	<u>Kansas</u>
<u>Kentucky</u>	<u>Louisiana</u>	<u>Maine</u>	Maryland
Mississippi	<u>Missouri</u>	<u>Nebraska</u>	<u>Nevada</u>
New Hampshire	<u>New Jersey</u>	<u>New Mexico</u>	<u>North Dakota</u>
<u>Ohio</u>	<u>Oklahoma</u>	<u>Oregon</u>	<u>Pennsylvania</u>
<u>Rhode Island</u>	<u>South Carolina</u>	<u>South Dakota</u>	<u>Tennessee</u>
<u>Texas</u>	<u>Virginia</u>	Washington	<u>West Virginia</u>
<u>Wisconsin</u>	<u>Wyoming</u>		

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To take the **free** FEMA online basic agent training, go to:

<http://training@nfipstat.com> and complete the registration form. Please note, the registration page may be confusing as it asks "Please list the top 3 Companies you represent" - this is where you are to put who you write your Flood Insurance through (American Bankers and/or American Reliable).

Also, you must successfully complete the mastery test at the end (you must receive a 70 or better to pass), the certificate does not state how many CE's will be provided. Please know that the States listed above are all approved for 3 CE Credits and consider those who successfully complete the mastery test fulfilling the minimum flood training requirements of section 207 of the flood insurance reform act of 2004. There is also an affidavit form that prints with the certificate - ONLY Alabama and Arkansas agents are required to complete this form.

FEMA will directly notify the State when you successfully complete the mastery test of the 3 CE

Reminder! New Elevation Certificate Requirement

FEMA's new Elevation Certificate (EC) was approved for use, effective February 13, 2006, through February 28, 2009. **Elevations certified on or after January 1, 2007, must be submitted on the new form and must include two photographs.** The new form has been revised and now requires the certifier to provide the **square footage of the enclosed area below the elevated floor and at least two photographs** of the building, if the EC is being used to obtain flood insurance.

An electronic version of the form and instructions are available on the FEMA website <http://www.fema.gov/business/nfip/elvinst.shtm>. Although the old version of the form is no longer available for distribution, existing copies may be used until the end of 2006. <http://www.fema.gov/business/nfip/elvinst.shtm>

NFIP May 1, 2007, Rate and Rule Changes: A Summary

Premiums will increase an average of 6.0% for policies written or renewed on or after May 1, 2007. This premium increase varies by zone as described below.

V Zones (coastal high-velocity zones)

Larger rate increases are being implemented again this year due to:

1. An increased contingency loading (from 10% to 20%) that more appropriately reflect the volatility in flooding.
2. rates are being increased in response to the Heinz Center's Erosion Zone Study, which clearly indicates that current rates significantly underestimate the increasing hazard from steadily eroding coastlines.

- **Post-FIRM V Zones:** Premiums will increase 10%.
- **Pre-FIRM V Zones:** Premiums will increase about 9½%.

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A Zones (non-velocity zones, which are primarily riverine zones)

There will be large increases this year.

- **Post-FIRM AE Zones:** Premiums will increase about 6% as indicated by our actuarial rate model, which includes an increase in the contingency loading from 5% to 10%.
- **Pre-FIRM AE Zones:** Premiums will increase about 7%, which will help to reduce the amount of the subsidy in these rates.
- **AO, AH, AOB and AHB Zones** (shallow flooding zones): Premiums will be increased between 9% to 10%.
- **Unnumbered A Zones** (remote A Zones where elevations have not been determined): Premiums will increase about 8%. These increases are designed to keep rates in line with Post-FIRM AE Zones.
- **A99 Zones** (approved flood mitigation projects, e.g., levees still in the course of construction): Premiums will increase about 10%.
- **AR Zones:** Premiums will increase about 10%.

X Zones (zones outside the Special Flood Hazard Area)

Moderate increases are being implemented.

- **Standard Risk Policy:** Premiums will increase about 10%.
- **Preferred Risk Policy (PRP):** No changes.

Miscellaneous Items

- **Optional Deductibles:** Deductible relativities are unchanged.
- **Emergency Program:** No changes.
- **Mortgage Portfolio Protection Program (MPPP):** Revised to keep in line with increases to A and V Zone policies.
- **Provisional Rating:** No changes.

The semiannual revisions to the National Flood Insurance Program (NFIP) *Flood Insurance Manual* that become effective on May 1, 2007, have been posted to the NFIP area of the FEMA website at

<http://www.fema.gov/business/nfip/manual200705.shtm>.

[AccessFlood Web Training](#)

The Flood Service Center is committed to providing the best training programs to our agents. Have you signed up to have an AccessFlood training class? It won't take more than 1.5 hours. The class is conducted via Web training. Call to schedule a training session and let us help you write more FLOOD business.

AccessFlood: This class is approximately 1 hour (no CE Credits available) and is conducted via Live Meeting. Live Meeting is a web training tool that allows you to actively participate during the training class. To schedule a class, or if you have any questions, please contact: Holly Lindberg at 800-423-4403 x364, by email: Hollyrae.Lindberg@Assurant.com or Rebecca Burton at 800-423-4403 x353, by email: Rebecca.Burton@Assurant.com

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Contents Coverage a Big Potential Market

Proposition: NFIP policyholders can purchase coverage for flood damage not just to their buildings but also to building contents. That's not news to NFIP agents, but, according to the RAND Corporation, it might be news to large numbers of NFIP policyholders in some regions of the United States.

RAND's 2006 study of NFIP market penetration included an analysis of both types of NFIP flood insurance coverage—"Building" and "Building and Contents." According to the RAND report, 75 percent of homes located in the southern United States have building and contents coverage. However, outside the South, the share of homes with both coverages drops to a low of 49 percent in the Northeast and 16 percent in the Midwest.





Lesson learned: Be sure to offer both coverages to all property owners!

<http://watermark.nfipstat.com/websites.htm>

Residential Condominium Association Policy Change!

The RCBAP covers only a residential condominium building in a Regular Program community. If the named insured is listed as other than a condominium association, the agent must provide legal documentation to confirm that the insured is a condominium association.

2007 National Flood Conference

- [Conference Online Registration](#)
-  [Education Day Brochure](#) - 632 KB, [text version](#) - 4 KB
-  [Education Day Online Registration](#)
-  [Registration Brochure](#) - 1 MB, [text version](#) - 44 KB
- [Make Your Room Reservation Online](#)
-  [Exhibitor Prospectus](#) - 311 KB, [text version](#) - 17 KB

April 29-May 2

Adams Mark Hotel

Denver, Colorado