

FLOOD FACTS

A newsletter for agents of American Bankers Insurance Company of Florida
www.abicflood.com



ASSURANT
Specialty
Property

May 2008

Claims Information

American Bankers Insurance
Company of Florida
PO Box 6099
Scottsdale AZ 85261-6099

8655 E Via De Ventura
Scottsdale, AZ 85258

Email

claims.department@assurant.com

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

FLOOD SERVICE CENTER

Phone number 800 423-4403

Fax number 714 712-3842

flood.service.center@assurant.com

CRS Discounts for Buildings with Subgrade Crawlspaces

Effective May 1, 2008, flood insurance policies for buildings that are rated as having the lowest floor one foot or more below the base flood elevation (BFE) will no longer be eligible for the community's CRS discount. This does not apply to properties in V Zones that have unfinished enclosures with breakaway walls that are used only for building access, storage, and/or parking.

Buildings with subgrade crawlspaces are eligible for the community's CRS discount provided that they have a letter from a community official certifying that the subgrade crawlspace is built in compliance with the NFIP requirements for crawlspace construction.

In addition to meeting the NFIP requirements applicable to all crawlspace construction in Special Flood Hazard Areas (SFHAs), buildings with subgrade crawlspaces must also meet special requirements for subgrade crawlspaces. The full text of the NFIP requirements for subgrade crawlspace construction can be found in Technical Bulletin 11-01, which is available online at <http://www.fema.gov/pdf/fima/tb1101.pdf>.

If you have an insured that is affected by FEMA's new compliance policy:

- Verify how the flood insurance policy was rated. If the structure was built to comply with Floodplain Management Guidelines at the time of construction, it may not be in violation of the new policy. See Grandfathering rules in the rating section of the National Flood Insurance Manual Rate Section, Pages 21-23.

Contact Information

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

American Bankers Insurance
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PO Box 4337
Scottsdale, AZ 85261-4337

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flood.service.center@assurant.com

Overnight Mail

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8655 E Via De Ventura
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Hours of Operation

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

Lockbox Address for Renewal Payments Only

American Bankers Insurance
Company of Florida
PO Box 29861
Phoenix, AZ 85038-9861

2008 Holiday Schedule

5/26 Memorial Day
7/04 Independence Day
9/01 Labor Day
11/27 Thanksgiving Day
11/28 Day after Thanksgiving
12/25 Christmas Day
12/26 Day after Christmas day

- Inform the homeowner that retrofitting may be an option. If the insured's structure is currently a foot or more below the BFE, there may be ways to retrofit the structure to bring it into compliance. See *Homeowner's Guide to Retrofitting: Six Ways to Protect Your House from Flooding* – www.fema.gov/hazard/flood/pubs/lib312.shtm.

Retrofitting is not just about reducing flood insurance premiums; it also reduces the risk of damage from future flooding.

For more information on FEMA's new policy, contact your local community official.

May 1, 2008 Changes

Premiums will increase an average of 8% for policies written or renewed on or after May 1, 2008. This premium increase varies by zone as described below.

V Zones (coastal high-velocity zones)

Larger rate increases are being implemented again this year as a result of 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 10%.

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

There will be increases that will keep our Post-FIRM rates at actuarial levels and that will slightly decrease the amount of subsidy in our Pre-FIRM rates.

- Post-FIRM A1-A30 and AE Zones: Premiums will increase 6% as indicated by our actuarial rate model.
- Pre-FIRM AE Zones: Premiums will increase 9%.
- AO and AH Zones: Premiums will increase 10%.
- AOB and AHB Zones (shallow flooding zones): Premiums will increase 6%.
- Unnumbered A Zones (remote A Zones where elevations have not been determined): Premiums will increase 8%.
- A99 Zones (approved flood mitigation projects, e.g., levees still in the course of construction): Premiums will increase 10%.
- AR Zones: Premiums will increase 10%.

X Zones (zones outside the Special Flood Hazard Area)

- Standard Risk Policy: Premiums will increase 10%.
- Preferred Risk Policy (PRP): Premiums will increase 8%. More Non-Residential coverage options are available, and building coverage is extended to Other Residential buildings.

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PRP Policy - Additional Options:

1-4 Family Condominium Unit Owners: All individual residential condominium units in residential condominium buildings (high-rise and low-rise) are now eligible for the PRP (building and contents combination as well as contents only policy).

Other Residential Unit Owners: Other residential unit owners now have building/contents combination as well as contents only available.

Non-Residential Unit Owners: Non-residential now have a more diverse building contents combination available. Non-residential condominium unit owners are only eligible for the contents only PRP.

PRP Policy – Additional Requirements:

Effective May 1, 2008, if there has been a map change during the policy term that may affect the insured property, proof of the property's continued eligibility for the PRP must be provided for the policy to be renewed.

All Preferred Risk Policy new business applications must include documentation of eligibility for the PRP. Such applications must be accompanied by one of the following:

- A Letter of Map Amendment (LOMA)
- A Letter of Map Revision (LOMR)
- A Letter of Determination Review (LODR)
- A copy of the most recent flood map marked to show the exact location and flood zone of the building
- A letter indicating the exact location and flood zone of the building, and signed and dated by a local community official
- An elevation certificate indicating the exact location and flood zone of the building, and signed and dated by a surveyor, engineer, architect, or local community official
- A flood zone determination certification that guarantees the accuracy of the information.

Miscellaneous Items

- **Increased Cost of Compliance:** Premium will increase from \$1 to \$6 for PRP policyholders.
- **Mortgage Portfolio Protection Program (MPPP):** Premiums will increase about 15%.
- **Flood Insurance Application, PRP Application, and General Change Endorsement:** Eliminate the Social Security Number and indicate when coverage is a lender requirement without a waiting period.
- **Preferred Risk Policy:** Eligibility recertification required at renewal when there has been a map change during the policy term that may affect the insured property.
- **New Risk Rating Method:** Developed for FEMA Special Rates not provided in the Specific Rating Guidelines.

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New Federal Policy Fee

Since the Federal Policy Fee is not a commissioned item, the failure to update them with the increase effective May 1, 2008 could keep you from balancing your accounts. The increase is as follows and should be reflected on your agency management systems:

Standard Flood Insurance Policy

Increased from \$30 to \$35.

PRP

Increased from \$11 to \$13.

RCBAP

Increased From

1 unit - \$ 30.00 per policy
2-4 units - \$ 60.00 per policy
5-10 units - \$ 150.00 per policy
11-20 units - \$ 330.00 per policy
21 or more - \$ 630.00 per policy

To:

1 unit - \$ 35.00 per policy
2-4 units - \$ 70.00 per policy
5-10 units - \$ 175.00 per policy
11-20 units - \$ 385.00 per policy
21 or more - \$ 735.00 per policy

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. Call to schedule a training session and let us help you write more FLOOD business. Please contact: Rebecca Burton at 800-423-4403 x353, by email: Rebecca.Burton@Assurant.com, Holly Lindberg at 800-423-4403 x364, by email: Hollyrae.Lindberg@Assurant.com, or Jayne Stotts at 800-423-4403 x346, by email: Jayne.Stotts@Assurant.com

TRAINING OPTIONS:

American Bankers Insurance Company of Florida offers 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.

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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:

*Alabama	*Alaska	*Arizona	*Arkansas
*California	*Colorado	*Connecticut	*Delaware
*District of Columbia	*Florida	**Georgia	*Hawaii
*Idaho	*Illinois	Indiana	*Iowa
*Kansas	*Kentucky	*Louisiana	*Maine
*Maryland	Massachusetts	Michigan	**Minnesota
*Mississippi	*Missouri	*Nebraska	*Nevada
*New Hampshire	*New Jersey	*New Mexico	*New York
*North Carolina	*North Dakota	*Ohio	*Oklahoma
*Oregon	*Pennsylvania	*Rhode Island	*South Carolina
*South Dakota	*Tennessee	*Texas	*Utah
Vermont	*Virginia	*Washington	*West Virginia
**Wisconsin	*Wyoming		

***FEMA On-line Training:** These States have agreed to award three (3) continuing education credits to agents who successfully complete the course. Please see below under Training Options for more information.

****States that have not implemented the requirement for Flood Training under the Section 207 of the Flood Insurance Reform Act; but will accept the FEMA On-line Training for three (3) continuing education credits.**

FEMA On-line Training (FREE):

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).

Also, you must successfully completes 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 Credits.

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Flood Zone Determinations

To request a flood zone determination for a property via AccessFlood, click the *New* tab and select "Quote/App." Click the *Flood Zone Determination* button at the top of the screen. A window will appear at the bottom of the screen. Complete the following fields: Insured/Company Name, Property Address 1, Property Address 2 (if applicable), City, State and Zip. Click the *Submit* button.

Do not use "Quick Quote". "Quote/App" allows the application to be saved at any point in the application and "Quick Quote" does not.

**The Flood Service Center
will be closed for the
Memorial Day Holiday
on May 26, 2008.**