

FLOOD FACTS

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



ASSURANT
Specialty
Property

October 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: "24 Hours"

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/w
m.shtm](http://www.fema.gov/business/nfip/wm.shtm)

NFIP Flood Manual October Changes

- Updates the list of NFIP Bureau and Statistical Agent Regional Offices (REF Section);
- Explains two exceptions to the provisions for reduction or reformation of coverage limits described in the Standard Flood Insurance Policy at Paragraph G of GENERAL CONDITIONS (GR Section);
- Stipulates that, for a building to qualify for floodproofing credit in an AO Zone, where the Flood Insurance Rate Map does not provide Base Flood Elevations, the building must be floodproofed to at least 1 foot higher than the Base Flood Depth (RATE Section);
- Clarifies that individual residential condominium units in a nonresidential condominium building are not eligible for building coverage (CONDO Section);
- Clarifies that the loss history criteria determining a building's eligibility for the Preferred Risk Policy apply to any 10-year period of the building's existence, regardless of ownership (PRP Section);
- Clarifies certain documentation and refund eligibility requirements related to cancellation/nullification of policies (CN Section);
- Updates the Community Rating System Eligible Communities list (CRS section); and
- Adds a discussion of the Severe Repetitive Loss Pilot Grant Program and provides samples of letters that will be sent to policyholders, agents, and lenders of buildings eligible for mitigation grants (SRL Section).

Map Grandfathering

Map grandfathering provisions address two issues affecting the rating of a flood policy: what is the applicable flood zone, and what is the required Base Flood Elevation (BFE)? **NFIP rating rules allow a flood policy to be rated based on the current map or a prior map, depending on which produces a more favorable premium for the property owner.**

Existing Business—Renewal Policies

One set of grandfathering rules applies to flood policies that are already in existence and are being renewed. Renewal policies may continue to be rated using the FIRM zone and the BFE designated by the map in effect when the policy was originally written. Two conditions apply: the **NFIP coverage on the building must have been continuous, and the building must not have been altered in a way that**

Contact Information

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

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Lockbox Address for Renewal Payments Only

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Phoenix, AZ 85038-9861

2008 Holiday Schedule

11/27 Thanksgiving Day
11/28 Day after Thanksgiving
12/25 Christmas Day
12/26 Day after Christmas day

would make the lowest floor for rating lower than the BFE on the original FIRM.

If the original map designated the location of the building to be in a low- or moderate-risk flood zone (Zone B, C, X, or D), then the zone is also grandfathered and there is no BFE requirement.

For example, let's say that at the time a home was built in 1989, it was located in a Zone A-11 on the FIRM in effect at the time. The BFE at the location of this building was 16 feet, and the elevation certificate showed the lowest floor of the building to be 20 feet. The homeowner bought a flood policy in 1989 based on this data and has maintained continuous coverage since. In 2007 the flood map was revised for the community in which the building is located. The new map designates the homeowner's property to be in a Zone VE, with a BFE of 20 feet. As long as the property has not been significantly altered, this homeowner's NFIP policy can continue to be rated in the original Zone A-11, with the original BFE of 16 feet. The revised map would not affect this homeowner unless the building was substantially improved or was declared substantially damaged and repaired.

New Business—Applications for Coverage

Not every property owner buys a flood policy and keeps it continuously. Some properties may never have been covered by a flood policy; another set of grandfathering rules applies to policies of this kind. If the property was originally designated as located in a flood Zone B, it is not subject to the mandatory purchase of flood insurance. In 2007 the property owner receives a letter from the lender advising that the mortgaged property is now located in a flood Zone AE, designated as high hazard and subject to the mandatory purchase requirement. The homeowner's flood insurance policy rates can be based on the FIRM zone and the BFE (if applicable) on the map in effect on the date the building was originally constructed as long as, once again, it was built in compliance with the floodplain ordinances in effect at that time (Post-FIRM only) and has not been significantly altered since.

The property owner will now need to purchase flood insurance, but the rating of that policy can be based on the old map, thereby allowing him the benefit of Zone B rates, if they will produce a lower premium for his coverage. Documentation for FEMA must be provided to locate his property on the old map. This property can qualify as a Zone B rated property, but it cannot qualify for the Preferred Risk Policy (PRP). The property must be located in a Zone B, C, or X according to the flood map current as of the inception date of each year's policy if it is to qualify for the PRP. Note: Pre-FIRM buildings can only keep the B, C or X zone if they have continuous coverage. New business, Pre-FIRM properties must use the zone in effect at the time the application is completed.

For complete NFIP rating rules, refer to the Rating Section of the NFIP [Flood Insurance Manual](#), pages RATE 21-23, available on the FEMA website.

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Flood Vents and Alternate Openings

The Lowest Floor Guide of the *Flood Insurance Manual* describes how proper openings in an enclosure can alter the rating of a flood insurance policy. Openings on two or more walls having a total net area of at least one square inch for every square foot of enclosure changes the lowest floor for rating from the enclosure floor to the elevated floor.

Several examples of enclosures that require openings are described below:

1. Solid perimeter foundation walls (crawlspaces or under-floor spaces)
2. Solid perimeter foundation walls (below-grade crawlspaces)
3. Solid perimeter foundation walls (with full-height under-floor spaces)
4. Garages attached to elevated buildings
5. Enclosed areas under buildings elevated on open foundations in A zones
6. Enclosed areas with breakaway walls under buildings elevated on open foundations in A zones
7. Solid perimeter foundation walls on which manufactured homes are installed
8. Accessory structures (detached garages and storage sheds)

In some instances it is not practical to meet the one square inch for every square foot requirement. In these instances one of the following **alternatives** may be used:

- A registered professional engineer or architect certification that the flood openings are designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. This certification is required to assure community officials that the openings are designed in accordance with accepted standards of practice. For acceptable certifications, refer to FEMA Technical Bulletin 1-93, "Openings in Foundation Walls for Buildings Located in Special Flood Hazard Areas" at <http://www.fema.gov/pdf/fima/job2.pdf>.

or

- A letter or other written evidence from the community building official that the flood openings have been accepted by the community as an alternative to the openings requirement in the International Building Code or the local ordinance based on the issuance of an Evaluation Report on openings by the International Code Council Evaluation Service, Inc.

or

- An Evaluation Report issued by the International Code Council Evaluation Service (ICC-ES) that the automatic flood vents meet code requirement. This report provides the specification on the number of flood vents required for a specified square footage of enclosed area below the base flood elevation.

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TRAINING:

Continuing Education Requirements

State Departments of Insurance are taking various actions to establish training requirements for insurance agents who sell flood insurance, as outlined in Section 207 of the Flood Insurance Reform Act of 2004 (Public Law 108-264). All but two States (Montana and Georgia), Puerto Rico and the U.S. Virgin Islands have published training requirement documents. Copies of the training requirements can be located at www.fema.gov/business/nfip/state_actions.shtm

Training Options:

The National Flood Insurance Program (NFIP) Basic Agent Tutorial is a web-based flood insurance training course for agents. It is available free of charge on the NFIP Training Station Website, <http://training.nfipstat.com/portal2/statelist.asp>. All but three States (Montana, Michigan, and Massachusetts), Puerto Rico and the U.S. Virgin Islands have agreed to award three (3) continuing education credits to agents who successfully complete the course.

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.

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 will take no more than 1.5 hours. Call or email to schedule a training session and let us help you write more FLOOD business. Please contact: Rebecca Burton at 800-423-4403 x353, (email: Rebecca.Burton@Assurant.com.)

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2009 National Flood Conference Information

Mark your calendars! The 26th annual National Flood Conference is scheduled for Sunday, April 19, through Wednesday, April 22, 2009.



The 2009 Conference will be held at the following location:
Sheraton Boston Hotel / 39 Dalton Street / Boston, MA 02199
www.Sheraton.com/Boston

For more information about the Conference, send an email to
NFIPNFC@nfipstat.com