

FLOOD FACTS

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



ASSURANT
Specialty
Property

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/wm.shtm

SUMMARY OF OCTOBER 2009 RATE AND RULE CHANGES

Unnumbered A Zone: Pre-FIRM buildings in an Unnumbered A Zone with a basement, enclosure, or crawlspace may use Post-FIRM rates if the rates are more favorable to the insured.

New Building Types: Two new building types have been added, elevated on crawlspace and non-elevated with subgrade crawlspace.

Floodproofing Eligibility: New indicators will be used to address communities that have lost their floodproofing eligibility.

Building Construction Date: WYO Companies must report the source of the building construction date..

Grandfathering Information: In addition to providing grandfathering information on the revised Flood Insurance Application form, WYO companies must also include the grandfathering indicator on the front of the flood insurance policy declarations page.

Underwriting Forms: Changes to the Flood Insurance Application, PRP Application, and General Change Endorsement forms will capture additional community, building, and construction information..

Leased Federal Properties: A new Risk Rating Method has been developed for any property leased from the Federal Government identified as being on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure. Such properties must be charged actuarial rates.

Presentment of Premium Date Requirements: FEMA will require WYO companies to record the presentment of premium date and payee on all new business applications and money endorsements effective on or after October 1, 2009.

Contact Information**New Business Applications,
Rollovers, Endorsements,
Cancellations and Other
Correspondence**

American Bankers Insurance
Company of Florida
Flood Service Center
PO Box 4337
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Flood Service Center

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Overnight Mail

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8655 E Via De Ventura
Scottsdale, AZ 85258

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

2009 Holiday Schedule

7/3 Independence Day
9/7 Labor Day
11/26 Thanksgiving
11/27 Day after Thanksgiving
12/25 Christmas Day

Premium Increases

Premiums will increase an average of 8% for policies written or renewed on or after October 1, 2009. In addition to the impact of selected rate changes, there are two additional changes.

- **Regular Program basic insurance limits** are increasing for all categories of building and contents coverage as follows.

-1-4 Family Dwelling Building Coverage: Basic limit increases from \$50,000 to \$60,000.

-Other Residential and Non-Residential Building Coverage: Basic limit increases from \$150,000 to \$175,000.

-Residential Contents Coverage: Basic limit increases from \$20,000 to \$25,000.

-Non-Residential Contents Coverage: Basic limit increases from \$130,000 to \$150,000

- **Standard Deductibles**

-The NFIP is discontinuing the \$500 deductible for all properties.

-Post-FIRM Properties: The standard deductible increases from \$500 to \$1,000.

-Pre-FIRM Properties: The standard deductible increases from \$1,000 to \$2,000.

The premium increases vary by zones 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)

-Post-FIRM A1-A30 and AE Zones: Premiums will increase 10%.

-Pre-FIRM AE Zones: Premiums will increase 10% to slightly decrease the amount of subsidy in our Pre-FIRM rate.

-**AO, AH, AOB and AHB Zones** (shallow flooding zones): Premiums will increase 8%.

-**Unnumbered A Zones** (remote A Zones where elevations have not been determined): Premiums will increase 10%.

-**A99 Zones** (approved flood mitigation projects e.g., levees still in the course of construction) and **AR Zones**: Premiums will increase 10%.

- **X Zones** (zones outside the Special Flood Hazard Area)

-Standard Risk Policy: Premiums will increase 8%.

-Preferred Risk Policy (PRP): Premiums will remain unchanged.

- **Mortgage Portfolio Protection Program (MPPP)**: Premiums will increase about 10%.

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Acceptable Proof of Contents Removal

1) If an insured has contents only and they move the contents themselves to a new location a statement from their prior landlord, new landlord or a copy of the new lease under the insured's name would be sufficient to remove the coverage. The statement must be attached to the request and needs to be written and signed by the mover or landlord to remove contents coverage.

2) If an insured owns the building, but has "gone out of business" and moved the contents themselves or they have sold the contents but still own the building, a statement from the insured plus a photo of the empty warehouse/business should be sufficient.

Standard to Preferred Risk Policy Requirements

NFIP allows a policy to be rewritten from a Standard to a Preferred Risk policy when the zone changes to B, C, or X as long as the effective date of the policy is **after** the effective date of the zone change. If not, it can only be rewritten at expiration. PRP policies are System reviewed each year at renewal due to grandfathering rules to ensure the zone has not changed and the map, panel and suffix are current.

New Application Requirements

- ✓ Part I of the application signed and dated.
- ✓ Part 2, (Section I and II) of the application must be completed if rating using an Elevation Certificate.
 - ❖ Section I – All building types
 - ❖ Section II – Elevated Buildings
- ✓ Part 2, (Section III) of the application for Manufactured (Mobile) Homes/Travel Trailers
- ✓ Loan close date and mortgage address. Elevation certificate, if required for rating, and original photos of the front and back of the structure taken within the last 90 days.
- ✓ RCBAP applications must always include photos and replacement cost estimator.
- ✓ Premium

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NEW BUSINESS EFFECTIVE DATE - STANDARD 30-DAY WAIT:

When the application and the premium payment are received at American Bankers Insurance Company of FL (ABIC) within 10 days from the date of the application, or if mailed by certified mail within 4 days from the date of application, then the waiting period will be calculated from the date the application is signed. The effective date of a new policy will be 12:01 a.m., local time, on the 30th calendar day after the application date.

- Use the application date plus 9 days to determine if the application and premium payment were received **within 10 days.**

Example:

1. Application dated 6/1/2009, check date 5/29/2009 - received at ABIC on 6/10/2009 (9 days from application date) - effective date is 7/1/2009.
2. Application dated 5/30/2009, check date 6/2/2009 - received at ABIC on 06/05/2009 (7 days from application date) - effective date is 6/29/2009.

- When **sent by certified mail***, use the application date plus 3 days to determine if the application and premium payment were mailed within 4 days.

Example:

1. Application dated 6/1/2009, check date 5/29/2009 - FedEx shows sent on 6/4/2009 (4 days from application date) - effective date is 7/1/2009.
2. Application dated 5/30/2009, check date 6/2/2009 - US Postal Service certified mail sent on 06/01/2009 (3 days from application date) - effective date is 6/29/2009.

*Certified mail extends to not only the US Postal Service but also certain third party services (FedEx, UPS, courier service and the like) that provide proof of mailing.

If the application and the premium payment are received at ABIC **after 10 days** from the date of application, or are not mailed by certified mail within 4 days from the date of application, then the waiting period will be calculated from the date ABIC receives the application or endorsement.

Example:

1. Application dated 6/1/2009, check dated 5/29/2009 - received at ABIC on 6/11/2009 (10 days from application date) - effective date is 7/11/2009 (30 days from receipt date).
2. Application dated 5/20/2009, check dated 6/1/2009 - received at ABIC on 6/3/2009 (14 days from application date) - effective date is 7/3/2009 (30 days from receipt date).
3. Application dated 5/30/2009, check date 6/2/2009 - UPS certified mail sent on 06/05/2009 (5 days from application date) - effective date is 7/5/2009. (30 days from receipt date).

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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.

A listing of training requirements by State is located at
http://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://www.nfipbureau.fema.gov/training/index.html>.

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 Basic Agent Tutorial course.

Registration instructions are also provided on the training website. Enhancements to the training system include user-friendly navigation and a personal page allowing students to track their training progress.

On the NFIP training web page, insurance agents, lenders, and claims adjusters can also find a schedule of instructor-led workshops offered in locations across the country. They can register online for these workshops through the training web page.

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 visit our website at www.abicflood.com and select Education.

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, or (email: Rebecca.Burton@Assurant.com).

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The Flood Service Center will be closed in
observance of Independence Day on
Friday, July 3, 2009