

FLOOD FACTS

A newsletter for agents of
American Bankers Insurance Company of Florida

May 2009

www.abicflood.com

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

The Flood Facts will be sent to Agents
via email approximately the 15th of
every month. For past issues, go to
www.abicflood.com

SUMMARY OF OCTOBER 2009 RATE AND RULE CHANGES

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%.

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

American Bankers Insurance
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Flood Service Center
PO Box 4337
Scottsdale, AZ 85261-4337

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1-800-423-4403
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1-714-712-3842

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flood.service.center@assurant.com

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

5/25 Memorial Day
7/3 Independence Day
9/7 Labor Day
11/26 Thanksgiving
11/27 Day after Thanksgiving
12/25 Christmas Day

- **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%.

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. (Effective dates are clarified later in this issue of the Flood Facts).
- ✓ Elevation certificate, if required for rating, and original photos of the front and back of the structure taken within the last 90 days. (Photo requirements are expanded upon later in this issue of the Flood Facts).
- ✓ RCBAP applications must always include photos and replacement cost estimator.
- ✓ Premium

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Photograph Requirements – No exceptions

All new business applications using an elevation certificate for rating, with a policy effective date of January 1, 2007, or later must be submitted with **at least two 3" x 3" color photographs that show the front and back of the building (clearly showing the foundation elements) and show the date taken, which must be within 90 days of mailing the application (not the certification date, if that date was earlier)**. If the building is a split-level or has multi-level areas at ground level, at least two additional photographs showing views of both sides of the building must be submitted.

Analog or digital photographs are acceptable. Faxed copies are not acceptable. Again, color photographs are required.

These new requirements also apply to all renewal and endorsement transactions adding an elevation certificate for rating effective on or after January 1, 2007.

An Elevation Certificate submitted with an application **without the required photographs** is not considered valid for rating, unless the building is in the course of construction. Elevation-rated risks received without photographs may be issued with provisional rating (if applicable) or returned to the Agent.

Loan Closing - Effective Date

The NFIP rules allow the policy to be effective at closing provided that the coverage is applied for and the presentment of premium is made at or before the closing.

For a loan closing, **premium payment from the escrow account (lender's check) or title company** is considered made at closing regardless of when the check is received by the writing company.

Example: Loan closing date is 4/15/2009, application is signed 4/15/2009 and the check from the title company is dated 4/30/2009 and we (ABIC) receive the application on May 4, 2009 the effective date will be 4/15/2009.

If the premium payment is not part of the closing, the closing date is the effective date only if the application date and premium payment date are on or before the closing date and the payment is received by the company within 10 days from the application date or prior to the closing date.

Example: Loan closing date is 4/15/2009, application is signed 4/15/2009 and the check from the insured (or agent) is dated 4/15/2009 and we (ABIC) receive the application on April 24, 2009 the effective date will be 4/15/2009.

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In cases where **the application date or the premium payment date is after the closing date**, and the application and payment are received within 10 days from the application date, the effective date is either the premium payment date or the application date, whichever is later.

Example: Loan closing date is 4/15/2009, application is signed 4/15/2009 and the check from the insured (or agent) is dated 4/18/2009 and we (ABIC) receive the application on April 24, 2009 the effective date will be 4/18/2009.

*** If the **payment and the application are received at the company after 10 days** from the application date, the effective date is the company's receipt date.

Example: Loan closing date is 4/15/2009, application is signed 4/15/2009 and the check from the insured (or agent) is dated 4/20/2009 and we (ABIC) receive the application on April 25, 2009 the effective date will be 4/25/2009.

If a loss occurs during the first 30 days of the policy period, the insurer must obtain documentation, such as settlement papers, to verify the effective date of the policy before adjusting the loss.

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>.

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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).

The Flood Service Center will be closed in observance of the Memorial Day Holiday on Monday, May 25, 2009