

MCINTYRE & LEMON, PLLC

ATTORNEYS AND COUNSELORS AT LAW

MADISON OFFICE BUILDING

1155 15TH STREET, N.W.

SUITE 1101

WASHINGTON, D.C. 20005

TELEPHONE (202) 659-3900

FAX (202) 659-5763

WWW.MCINTYRELF.COM

April 1, 2016

Teresa D. Miller, Chair
Property & Casualty (C) Committee
c/o Aaron Brandenburg
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Re: Reauthorization of the National Flood Insurance Program (NFIP)

Dear Chairman Miller:

On behalf of the American Bankers Insurance Association (ABIA),¹ I provide the following comments concerning reauthorization of the NFIP.

The ABIA and its parent, the American Bankers Association (ABA), support policies that help develop a *private market for flood insurance*, and that should be a fundamental objective as part of the NFIP's reauthorization. Under current law, *lenders* must determine whether private flood insurance coverage matches NFIP criteria, as required by the Biggert-Watters Act, before the lender accepts the private flood insurance coverage. Rules governing how that match is determined have yet to be written, so there is no clear, authoritative guidance as to what constitutes "private flood insurance" that is commensurate with the NFIP's coverage. Consequently, it will continue to be difficult for lenders to efficiently and confidently evaluate flood insurance policies to determine if they satisfy NFIP standards. And small lenders in particular will be harmed, as will consumers, by not ensuring they have the most viable flood insurance options in the marketplace.

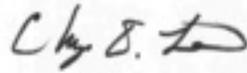
ABIA has asked the Federal financial services regulators to create a safe harbor in the form of a written, legally binding certification by the insurer that the policy meets the definition of private flood insurance set forth in Federal law, and to adopt model language for an insurer to use to make the certification. The Federal regulators have not acted on

¹ The ABIA's members include financial institution lenders.

that request, which has been pending for some time. Meanwhile, ABA and ABIA support legislation introduced in Congress – H.R. 2901 (Rep. Ross (R-FL)) and S. 1679 (Sen. Heller (R-NV)). Both bills would do away with the requirement that private flood insurance provide coverage that is at least as broad as the coverage provided under a NFIP policy; instead, the policy would only have to comply with the law of the State in which the secured building is located, which would leave the determination with the State insurance regulator as part of form and rate filings. *We ask NAIC to support these bills in connection with reauthorization of the NFIP.*

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Chrys D. Lemon". The signature is written in a cursive style with a large initial "C".

Chrys D. Lemon