Aon Edge

Private Flood Insurance News • Summer 2019

Effective July 1, 2019, Lenders Must Accept Private Flood Insurance

After July 1, 2019, a federal law requires mortgage lenders to accept private flood insurance that meets the Biggert-Waters Flood Insurance Reform Act of 2012 (BWA) definition of private flood insurance.

Five federal regulatory agencies: the FDIC, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, National Credit Union Administration and Farm Credit Administration, issued a joint final rule which outlines lender acceptance of private flood insurance.

Aon Edge Private Flood Insurance satisfies these standards and our policy materials will be updated to include the following confirmation: "This policy meets the definition of 'private flood insurance' contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation."

3 Key Takeaways from the PCI National Flood Conference in Washington, D.C.

1. NFIP extension through September 2019 was approved by Congress

2. NFIP Risk Rating 2.0 - Objective is to better align premiums to risk by improving risk identification, flood mapping ratings and incorporating new private data to more accurately price flood risk. FEMA plans to announce the new flood insurance rates for single-family homes April 1, 2020, and the rates will take effect Oct. 1, 2020.

3. NFIP Data Sharing - FEMA has published data covering more than 2 million flood insurance claim records going back to 1978 on its OpenFEMA website.

The PCI created a link for anyone interested in viewing the presentations from the conference.

Did You Know?

Four of the five costliest hurricanes have occurred within the last seven years.*

$165B
Katrina, August 2005

$127.5B
Harvey, August 2017

$91.8B
Maria, September 2017

$72.2B
Sandy, October 2012

$51B
Irma, September 2017

*"Billion-Dollar Weather and Climate Disasters: Table of Events," NOAA, www.ncdc.noaa.gov/billions/events/US/2000-2018, 2019.

Agent Story

In April, an Aon Edge sales representative started working with an agent and their municipal housing authority (MHA) customer in Missouri. The MHA owned 60 properties in Special Flood Hazard Areas and had individual NFIP policies written on each one.

When the agent ran quotes for the properties with EZ Flood®, we offered more coverage and saved the MHA over $12,000 a year in premiums, secondary home surcharge, and reserve fund assessment fee costs. The agent and customer were both very excited to be able to get more coverage and achieve 20% savings compared with their previous flood insurance solution.

Aon Edge Updates

• Policy Conversion

The Aon Edge technology team is hard at work transitioning all legacy policies written on our former policy management platform to our new system. The conversion is slated to be complete by the end of July. Once complete policies will be eligible for online renewal and credit card payment. Agents will be able to search and service all policies on the new platform.

• EZ Flood® Expansion

Since the expansion of EZ Flood coverage into lower risk B, C and X flood zones new business quoting in non-mandatory flood zones has accounted for 29% of EZ Flood's daily quote activity compared to 12.5% in all of 2018.

• Satisfaction Survey

As our business matures so does our need for agent directed feedback. In order to focus our efforts in the areas most important to you, Aon Edge is sponsoring a web-based research study to collect perceptional and transactional information regarding agents' overall satisfaction with Aon Edge.

• Excess Flood

As part of Aon Edge's strategy to upgrade our technology platform and deliver the digital experience agents expect, we are pleased to announce Excess Flood policies will be converted over to the new Aon Edge Private Flood Insurance Diamond processing platform by July 31, 2019. Agents now have access to simple one step log-in, self-service online endorsement and document retrieval and access to an enhanced dashboard to manage active quotes and policies.