

Donald L. Griffin
Department Vice President
Personal Lines

November 1, 2019

Director of Regulatory Affairs
The Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Submitted via: InsuranceRegReview.mia@maryland.gov

Re: Comments on: Title 31, Subtitle 3, Chapter 6, Draft Regulation 31.03.06

To: Director of Regulatory Affairs:

American Property Casualty Insurance Association (APCIA) is a property casualty trade association and our members write 76 percent of the Write-Your-Own (WYO) premium and partner with the Federal Government to sell, write, service and adjust claims for National Flood Insurance Program (NFIP) policies. APCIA members also write 91 percent of the private flood insurance in the United States.

On behalf of our members, we respectfully electronically submit our comments on the proposed change to Title 31, Maryland Insurance Administration, Subtitle 3, Insurance Producers and Other Insurance Professionals, Chapter 6, Surplus Lines, 31.03.06 for the record.

We understand the goal to allow for the private sector, particularly surplus lines writers, to more easily provide a private option to the policies offered through the National Flood Insurance Program (NFIP) in Maryland. We are encouraged that Maryland would modify its regulations to facilitate such policy offerings in the state by including a specific definition of primary flood for the surplus lines export list.

The change is an effort to update the regulation consistent with recent changes at the federal level. However, we need to be careful with the definition so as to ensure that the new wording does not create additional issues. Accordingly, we think this language should be amended as follows:

(24) Flood and water damage – excess of federal flood programs or primary coverage that provides is at least as broad as the same coverage as available through the federal flood insurance program; [where a federal flood program is not available;]

The wording makes a difference because as companies file private flood policies, those policies will meet all the requirements of an NFIP policy and will usually include a conforming clause and/or a certification clause to that effect. This is necessary for the private policy to be accepted by lenders as a policy that meets the mandatory purchase standards with regard to a federally-backed mortgage (FannieMae, FreddieMac, etc.) based on the final rule issued on January 25, 2019, by the federal lending agencies and effective July 1, 2019¹). Also, in most cases, the private policy includes broader coverage than that of an NFIP policy.

For these reasons, we respectfully request that the definition be revised as shown above and we thank you for the opportunity to provide comments regarding this draft regulation.

Respectfully Submitted,



Donald L. Griffin, CPCU, ARC, ARe, ARM, AU
Department Vice President, Personal Lines
American Property Casualty Insurance Association
donald.griffin@apci.org
847-553-3743

DEPARTMENT OF THE TREASURY
Office of the Comptroller of the Currency
12 CFR Parts 22 and 172
[Docket ID OCC-2014-0016]
RIN 1557-AD84

FEDERAL RESERVE SYSTEM
12 CFR Part 208
[Regulation H, Docket No. R-1498]
RIN 7100 AE-22

FEDERAL DEPOSIT INSURANCE CORPORATION
12 CFR Part 339
RIN 3064-AE27

FARM CREDIT ADMINISTRATION
12 CFR Part 614
RIN 3052-AC93

NATIONAL CREDIT UNION ADMINISTRATION
12 CFR Part 760
RIN 3133-AE64