OSC
INSURANCE SERVICES

ILLUMINATING RESULTS

FLOOD

PRIVATE POLICY ASSESSMENT

Analyzing private flood policies is no picnic

With the Biggert-Waters Flood Insurance Reform Act of 2012, private flood insurance is accepted if it equates to the National Flood Insurance Policy coverage standards. However, this acceptance requires lenders to evaluate these policies for compliance with the statutory definition of "private flood insurance" and to ensure they meet minimum requirements. It's no picnic as get it wrong, and regulators can criticize you for accepting non-compliant policies. This burden for many is great as resources may be understandably limited.

Let OSC help you evaluate your private flood policies

At OSC, we help clients understand and apply the evolving private flood policy rules to their portfolios to mitigate risk. Our experienced compliance officer and team actively monitor a range of regulatory sources–including the FHA, OCC, FDIC, CFPB, FNMA, FHLMC, NFIP, and GNMA–to provide sound guidance on your private flood policies. We are equipped to handle your policy audit and deliver actionable insights to your team in a timely manner.

We will work closely with your loan operations and/or compliance team to:

- Provide a dedicate email address for policies to be sent for review
- Access each private flood policy in a secure, electronic manner
- Review policies against all key private flood guidelines
- Provide an actionable assessment of the policy against regulatory requirements and provide recommendations

Assessment criteria included but not limited to:

- Assessment against the statutory definition of "Private Flood Insurance"
- Discretional acceptance criteria outlined in the Agencies' Final Rules
- Licensure of the insurance carrier
- Breadth of coverage
- Cancellation/non-renewal notice requirements
- Strength of the mortgage interest clause
- Legal recourse
- Safety and soundness elements

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