



NATIONALGENERAL.COM/LENDERSERVICES

# Private Flood Insurance Deficiency Blanket

With over 43 years of tracking and LPI experience, combined with full-service property and casualty insurance capabilities, National General Lender Services (NatGen) is the best choice for mortgage servicers seeking a superb, full-service insurance partner. We deploy the complete breadth of our expertise, compliance focus, service and products to go above and beyond other insurance providers to extend compliant, customized solutions. We are a certified Center of Excellence by BenchmarkPortal — one of only six companies nationally, and the only one in the insurance industry, to achieve this certification for 13 consecutive years. In addition, we are committed to continuous improvement, as evidenced by our ISO 9001 certification since 2008.

NatGen is pleased to offer the Private Flood Insurance Deficiency Blanket to provide our lender-placed insurance clients with protection against deficiencies in coverage between the private flood policy that they accept and a standard NFIP policy. The notable exception is deficient coverage amount, which we cover via a lender-placed flood gap certificate.

## BACKGROUND

NatGen has been working both directly and through the Mortgage Bankers Association (MBA) and American Bankers Association (ABA) to better understand Fannie Mae (FNMA) and Freddie Mac's (FHLMC) expectations related to review of a customer's private flood insurance policy. We believe that the blanket policy we have created provides an acceptable solution to meet the requirement that the private flood insurance be at least equal to an NFIP policy.

FNMA & FHLMC have defined "Acceptable Flood Insurance Policies" in their Selling Guides as one of the following:

- A standard policy issued under the NFIP; or

- A policy issued by a private insurer as long as
  - The terms and amount of coverage are at least equal to that provided under an NFIP policy based on a review of the full policy issued by a private insurer, and
  - The insurer meets Fannie Mae's rating requirements as specified in B7-3-01, Property Insurance Requirements for Insurers.

Links to the each Selling Guide can be found at [FNMA](#) and [FHLMC](#)

## PROGRAM HIGHLIGHTS

NatGen's Private Flood Insurance Deficiency Blanket Policy is designed to cover any gaps in coverage, conditions or exclusions found between a private flood insurance policy and a standard NFIP policy. This new product will provide you with the confidence to continue your lending efforts unabated by the recent communications regarding the acceptability of private flood insurance for government-backed mortgages. The program will allow you to rely on the guidance provided by the prudential regulators (OCC, Federal Reserve, FDIC, NCUA and FCA) regarding the presence of a compliance aid provision statement as well as your discretionary acceptance of a private flood insurance policy.

For loans located in a Special Flood Hazard Area (SFHA):

- **Rate:** \$1.25 per loan per year / \$2,500 minimum annual premium
- **Billing:** Annual
- **Deductible:** None
- **Policy Limits:** Available up to the NFIP maximum of \$250,000 (residential) and \$500,000 (commercial)

If you are interested in procuring the Private Flood Insurance Deficiency Blanket, would like to see a sample policy or have additional questions, please contact your Executive Relationship Manager.