



FDIC

Federal Deposit Insurance Corporation
550 17th Street, NW, Washington, DC 20429

Division of Depositor and Consumer Protection

To: Public Comment File – RIN3064 – AE03 (FDIC)
(Loans in Areas Having Special Flood Hazards; Proposed Rule)

Date: July 25, 2014

Subject: Phone call with International Underwriting Association (IUA) Counsel

On July 8 and July 15, 2014, staff from the FDIC's legal and consumer protection divisions participated in a conference call regarding the proposed flood insurance rule with the IUA's Insurance Regulatory Counsel, Thomas M. Dawson. During the call, Mr. Dawson provided an overview of the surplus lines insurance market and the regulatory regime monitoring it.

Mr. Dawson spoke about how the "safe harbor" provision in the rule would affect the surplus lines industry. Mr. Dawson discussed the IUA support for a common review mechanism to determine if a surplus lines policy complies with the definition of private flood insurance. Additionally, the call included a discussion about insurer self-certification, the enforceability of certifications of surplus lines policies, and the role of stamping offices in the surplus lines industry.

Mr. Dawson also discussed contractual provisions that are sometimes included in insurance policies, such as conformity to statute clauses, and the legal ramifications of such provisions. Finally, he discussed the typical amount of time insurance companies need to implement endorsement language into their insurance policies.