

Amendments to the Draft *Private Flood Insurance Model Act* Submitted by the Independent Insurance Agents & Brokers of America

DELETE SECTION 7 AND REPLACE WITH THE FOLLOWING NEW SECTIONS:

Section __. Notice to Consumers

- A. Before placing a personal lines private flood insurance policy with an insurer, an insurance producer, surplus lines broker, or insurer must provide a written notice to the applicant advising that, if the applicant discontinues coverage under the National Flood Insurance Program that is provided at a subsidized rate, the full risk rate for flood insurance may apply to the property if the applicant later seeks to reinstate coverage under the program.
- B. This section only applies if the applicant lives in a Special Flood Hazard Area. This section automatically sunsets if federal legislation is enacted that allows the insured to switch between private flood insurance and NFIP coverage without penalty.

Section __. Cancellation and Nonrenewal Notice

- A. An insurer must provide written notice at least 45 days before the cancellation or nonrenewal of private flood insurance coverage to the insured.
- B. The notice described in subsection (A) must meet the delivery and other requirements established under [*insert reference to the provisions of the state code addressing cancellation and nonrenewal notice requirements*].

Drafting Note – This section is intended for States that have cancellation and nonrenewal notice requirements that mandate the delivery of such notices fewer than 45 days before cancellation or nonrenewal of a policy. This provision is unnecessary for and should not be adopted by jurisdictions that require the delivery of such notices 45 or more days in advance of a cancellation or nonrenewal.

Section __. Surplus Lines Placements

A surplus lines broker may place a policy or endorsement providing private flood insurance coverage with an eligible surplus lines insurer without performing a diligent effort to seek such coverage from one or more admitted insurers as required under [*insert reference to the provision of the state code addressing diligent search requirements*].

Drafting Note – States may wish to consider sunseting this section after a specified period of time.