

Managing Your Citizens' Renewals in Special Flood Zones

Citizens' coverage will expire if proof of flood coverage and the *Flood Affirmation* form are not submitted prior to the renewal effective date. The chart below details the flood requirements.

In Special Flood Hazard Areas

Who: Insureds with structures in Special Flood Hazard Areas (as defined by National Flood Insurance Program (NFIP) (e.g., A, AO, AH, A1-A30, AE, A99, V, V1-V30, VE) with wind coverage must maintain a flood policy.

When: New Business: Effective 4/1/23
Renewal Business: Effective 7/1/23

Out of Special Flood Hazard Areas

Who: Insureds with structures in or out of the Special Flood Hazard Area, with wind coverage, must maintain a flood policy. "Replacement Cost" (RC) is for dwellings (Coverage C is not required).

When: Effective 1/1/24: Structures with RC at \$600,000 or more;
Effective 1/1/25: Structures with RC at \$500,000 or more;
Effective 1/1/26: Structures with RC at \$400,000 or more;
Effective 1/1/27: All structures regardless of value.

Flood Coverage Requirements

The minimum required coverage is the maximum provided by the NFIP (Coverage A: \$250,000). Customers with a Coverage A limit lower than \$250,000 will need to secure flood coverage at the following limits:

Dwellings: Equal to or greater than Citizens' separate Coverage A

If the above limits are not available from the NFIP, the maximum of \$250,000 coverage A.

Note: Condominium unit-owner policies and tenant contents policies are exempt within and outside the flood hazard area.

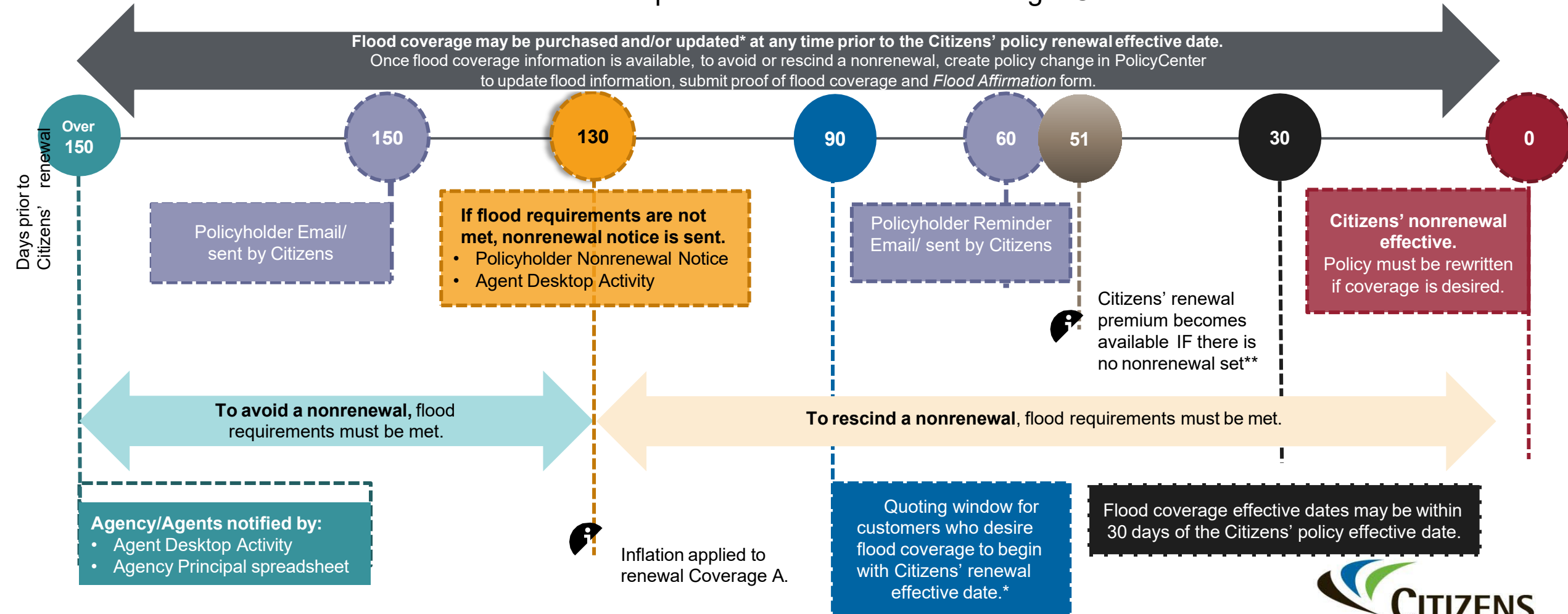
Required Documents

- 1.) A signed *Policyholder Affirmation Regarding Flood Insurance* (CIT FW01) form; **AND**
- 2.) Proof of flood coverage:
 - a.) A copy of the flood application with proof of payment; or
 - b.) A copy of the flood policy declarations; or
 - c.) A copy of an underlying multiperil policy with the flood endorsement.



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Citizens' coverage will expire if proof of flood coverage and the *Flood Affirmation* form are not submitted prior to the renewal effective date. The chart below details important benchmarks in avoiding a Citizens' nonrenewal.



* NFIP requires a 30-day waiting period unless application is due to a loan transaction. Agents may submit up to 90 days in advance of the Citizens renewal date.

** Citizens' renewal premiums will only be available if a nonrenewal is rescinded.

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Over 150 days prior to Citizens' policy expiration date:

- Agents will be notified of policies that do not currently meet the requirements.
 - An activity will appear on the AOR's desktop.
 - The Agency Principal will be sent a list of all affected policies.
- Flood insurance requirements must be met to avoid the nonrenewal process from initiating.
- Agents can begin updating this information at anytime.

Between 180-150 days in advance of the renewal:

- Citizens will be sending the policyholder an email reminder of the flood requirements and what is needed.

130 days prior to current Citizens' policy expiration:

- Legal notice of nonrenewal will be sent to the customer.
- In PolicyCenter, the agent of record will:
 - Receive a Nonrenewal activity on their *Desktop*
 - Be able to access the nonrenewal notice in the *Documents* section
 - Be able to view the renewal Coverage A amount on the *Policy Review* screen of the nonrenewal transaction
- How the agent can rescind the nonrenewal will depend on:
 - If the customer already HAS flood coverage or immediately purchases flood coverage that meets the flood requirements, the agent should start a *Policy Change* activity to enter the flood coverage information and/or new effective dates and upload the completed and signed Policyholder Affirmation Regarding Flood Insurance (CIT FW01) form and Proof of flood coverage.
 - If the customer DOES NOT have flood insurance or is not willing to purchase it until their renewal with Citizens, the agent cannot take action to resolve the nonrenewal until the time the customer purchases the flood coverage. This means applying for flood insurance will have to wait at least another 45 days due to NFIP's 90-day quoting window. The law is that the flood coverage does not need to be effective until the Citizens' renewal date.

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90 days prior to Citizens' current policy expiration:

- Is when policyholders wishing to wait to purchase flood insurance until their Citizens' renewal date may start to apply for the policy. This is the earliest possible timeframe an application can be submitted with the NFIP.
- Reminder: We will accept an application and proof of payment in lieu of a flood declaration.

Between 90-60 days in advance of the renewal:

- Citizens will be sending the policyholder an email/letter reminder of the flood requirements.

51 days in advance of the renewal:

- If the nonrenewal was never set or has already been rescinded:
 - Agent of Record:
 - Will receive a "Renewal has been issued" activity on their Desktop.
 - Will be able to access the Renewal offer in the Documents section of PolicyCenter.
 - Will be able to see the renewal premium in PolicyCenter.
 - Policyholder:
 - Will receive a "Renewal" offer in the mail, which will reflect the renewal premium with Citizens.
 - Otherwise, agents will not be able to private the renewal premium for budgeting purposes. We are aware of this and are working toward a solution.
- If the nonrenewal was not cared for or lifted prior to the 51 days in advance of the renewal, the above will apply once the nonrenewal is rescinded (anywhere from 51 days to 1 day in advance of the renewal effective date). Until this time, the renewal premium will not be available to the customer.

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30 days in advance of or post renewal:

- As long as the insured has flood coverage effective within 30 days of the Citizens renewal effective date and the *Policy Change* is submitted prior to renewal, we will allow the renewal.
- If securing coverage for the renewal term, the insured can purchase flood coverage at the same coverage A limits of the current term (if not purchasing the max NFIP limits of \$250,000 for coverage A).

0 days = Citizens' renewal effective date:

- If flood coverage has not been secured and updated on the policy by the renewal effective date the policy will nonrenew.
- If coverage is still desired, the policy must be rewritten.