

FEDERAL RESERVE BANK  
OF NEW YORK

AT Cir No 7345

February 15, 1974

AMENDMENTS TO REGULATION H  
Flood Insurance — Additional Information

To the Chief Executive Officer of Each State Member Bank  
in the Second Federal Reserve District:

As you may be aware, the Board of Governors of the Federal Reserve System amended its Regulation H (effective March 2, 1974) to implement the flood insurance requirements of Sections 102 and 202 of the Flood Disaster Protection Act of 1973 (P.L. 93-234), which was signed into law on December 31, 1973. A copy of the amendment was furnished as an enclosure to this Bank's Circular No. 7338, dated February 7, 1974. This letter contains additional information to assist you in fulfilling the requirements established by the amended regulation.

**Requirements.** After March 1, 1974, State member banks are prohibited from making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located or to be located in an area (1) that has been identified by the Federal Insurance Administration of the U.S. Department of Housing and Urban Development as having special flood hazards and (2) in which federally-subsidized flood insurance is available for sale, *unless* adequate flood insurance has been purchased by the owner of such property. Furthermore, the amended regulation extends the flood insurance purchase requirement, after June 30, 1975, to all formally identified areas having special flood hazards (if a community in an area having special flood hazards is not by then participating in the National Flood Insurance Program, no mortgage loan or grant for acquisition, construction, or improvement of land or buildings can be made within the special flood hazard area).

**Scope of Coverage.** The flood insurance purchase requirement would apply to all new loans, including renewals, as well as to any modification of outstanding loans. The requirement would *not* apply to existing loans for which no new approvals or changes in conditions were requested. Also, flood insurance would be required on personal property but *only if* (1) a loan for personal property was part of, or made at the same time as, a loan or loan modification involving real estate or a mobile home and (2) the personal property was itself made subject to the real estate mortgage or chattel mortgage or other security interest for the benefit of the lender.

**Compliance.** To comply with the amended regulation, you should first determine whether the area in which the property is located is a flood hazard area and whether flood insurance is available in that area. If these two questions are affirmatively answered, you should then determine the maximum amount of such insurance available and whether or not the "proviso" embodied in Section 208.8(e)(1) of the amended regulation with respect to State-owned property applies.

**Amount of Insurance Required.** The amount of insurance to be required is the maximum limit of coverage available or an amount equal to the balance of the loan, whichever is less. The borrower is required to purchase only those limits of coverage which are available under the National Flood Insurance Program at the time of the loan-closing, within the particular community in which the property securing the loan is located.

(Over)

**Recordkeeping Requirement.** The new regulation requires each State member bank to maintain records sufficient to indicate the method used to determine (1) whether or not a loan secured by improved real estate or a mobile home falls within the provisions of the regulation and (2) whether or not the property is covered by appropriate flood insurance.

**Availability of Further Information.** Although the flood insurance program itself is complicated, the insurance purchase requirement is intended to be very similar to the normal fire insurance requirements. Within eligible communities, flood insurance can be, and generally is, sold by all licensed property insurance agents and brokers, who will ordinarily know the status of the flood insurance program in the particular community, the location of the special flood hazard areas, and the limits of coverage available. More detailed or technical questions can be answered by the insurance servicing company for the program for the State or area in which the community is located (a list of insurance servicing companies is enclosed for your convenience), or by the National Flood Insurers Association, 160 Water Street, New York, New York 10038, telephone (212) 487-5000. Maps may be available from these insurance servicing companies as an additional means of helping you to ascertain whether the property involved is located in a designated flood hazard area. Other questions may be referred to the Federal Insurance Administration, U. S. Department of Housing and Urban Development, Washington, D. C. 20410, telephone (202) 755-5581.

Fred W. Piderit, Jr.,  
*Vice President.*

Enclosure

**NATIONAL FLOOD INSURANCE**

**PROGRAM**

**LIST OF SERVICING COMPANY OFFICES**

**February 1973**

**NATIONAL FLOOD INSURERS ASSOCIATION**

**(in cooperation with the U. S. Government)**

**160 Water St., New York, N. Y. 10038**

This list indicates the Servicing Company offices to be contacted for information relative to the availability of coverage under the National Flood Insurance Program in each state, and from whom agents can secure applications and manuals.

#### **Alabama**

The Hartford Insurance Group  
Hartford Building  
100 Edgewood Avenue  
Atlanta, Georgia 30301  
Phone: (404) 521-2059

#### **Alaska**

Industrial Indemnity Co. of Alaska  
943 West Sixth Avenue  
Anchorage, Alaska 99501  
Phone: (907) 279-9441

#### **Arizona**

Aetna Life & Casualty  
Suite 901  
3003 North Central Avenue  
Phoenix, Arizona 85012  
Phone: (602) 264-2621

#### **Arkansas**

The Travelers Indemnity Company  
103 Seventh Street  
Little Rock, Arkansas 72201  
Phone: (501) 375-3253

#### **California—Northern**

Fireman's Fund American Insurance Companies  
P.O. Box 3136  
San Francisco, California 94120  
Phone: (415) 421-1676

#### **California—Southern**

Fireman's Fund American Insurance Companies  
P.O. Box 2323  
Los Angeles, California 90054  
Phone: (213) 381-3141

#### **Colorado**

CNA Insurance  
1660 Lincoln — Suite 1800  
Denver, Colorado 80203  
Phone: (303) 266-0561

#### **Connecticut**

Aetna Insurance Company  
P.O. Box 1779  
Hartford, Connecticut 06101  
Phone: (203) 523-4861

#### **Delaware**

General Accident F & L Assurance Corp., Ltd.  
414 Walnut Street  
Philadelphia, Pennsylvania 19106  
Phone: (215) 238-5000

#### **Florida**

The Travelers Indemnity Company  
1516 East Colonial Drive  
Orlando, Florida 32803  
Phone: (305) 896-2001

#### **Georgia**

The Hartford Insurance Group  
Hartford Building  
100 Edgewood Avenue  
Atlanta, Georgia 30301  
Phone: (404) 521-2059

#### **Hawaii**

First Insurance Co. of Hawaii, Ltd.  
P.O. Box 2866  
Honolulu, Hawaii 96803  
Phone: (808) 548-5511

#### **Idaho**

Allied Mutual Insurance Company  
Snake River Division  
1845 Federal Way  
Boise, Idaho 83701  
Phone: (208) 343-4931

#### **Illinois**

State Farm Fire & Casualty Co.  
Illinois Regional Office  
2309 E. Oakland Avenue  
Bloomington, Illinois 61701  
Phone: (309) 557-7211

#### **Indiana**

United Farm Bureau Mutual Insurance Co.  
130 East Washington Street  
Indianapolis, Indiana 46204  
Phone: (317) 263-7200

#### **Iowa**

Employers Mutual Casualty Company  
P.O. Box 712  
Des Moines, Iowa 50304  
Phone: (515) 280-2511

#### **Kansas**

Royal-Globe Insurance Companies  
1125 Grand Avenue  
Kansas City, Missouri 64141  
Phone: (816) 842-6116

#### **Kentucky**

CNA Insurance  
111 East 4th Street  
Cincinnati, Ohio 45202  
Phone: (513) 621-7107

#### **Louisiana**

Aetna Life & Casualty  
P.O. Box 61003  
New Orleans, Louisiana 70160  
Phone: (504) 821-1511

**Maine**

Commercial Union Insurance Company  
c/o Campbell, Payson & Noyes  
57 Exchange Street, Box 527, Pearl Street Station  
Portland, Maine 04116  
Phone: (207) 774-1431

**Maryland**

U.S. Fidelity & Guaranty Company  
Calvert & Redwood Streets  
Baltimore, Maryland 21203  
Phone: (301) 539-0380

**Massachusetts—Eastern**

Commercial Union Insurance Company  
1 Beacon Street  
Boston, Massachusetts 02108  
Phone: (617) 725-6358

**Massachusetts—Western**

Aetna Insurance Company  
P.O. Box 1779  
Hartford, Connecticut 06101  
Phone: (203) 523-4861

**Michigan**

Insurance Company of North America  
Room 300—Buhl Building  
Griswold & Congress Streets  
Detroit, Michigan 48226  
Phone: (313) 963-4114

**Minnesota—Eastern**

The St. Paul Fire & Marine Insurance Company  
P.O. Box 3470  
St. Paul, Minnesota 55165  
Phone: (612) 222-7751

**Minnesota—Western**

The St. Paul Fire & Marine Insurance Company  
7900 Xerxes Avenue South  
Minneapolis, Minnesota 55431  
Phone: (612) 920-6600

**Mississippi**

The Travelers Indemnity Company  
5360 Interstate 55 North, P.O. Box 2361  
Jackson, Mississippi 39205  
Phone: (601) 956-5600

**Missouri—Eastern**

MFA Insurance Companies  
1817 West Broadway  
Columbia, Missouri 65201  
Phone: (314) 445-8441

**Missouri—Western**

Royal-Globe Insurance Companies  
1125 Grand Avenue  
Kansas City, Missouri 64141  
Phone: (816) 842-6116

**Montana**

The Home Insurance Company  
8 Third Street N. — P.O. Box 1031  
Great Falls, Montana 59401  
Phone: (406) 761-8110

**Nebraska**

Royal-Globe Insurance Companies  
1125 Grand Avenue  
Kansas City, Missouri 64141  
Phone: (816) 842-6116

**Nevada**

The Hartford Insurance Group  
P.O. Box 500  
Reno, Nevada 89504  
Phone: (702) 329-1061

**New Hampshire**

Commercial Union Insurance Company  
1 Beacon Street  
Boston, Massachusetts 02108  
Phone: (617) 725-6358

**New Jersey**

Centennial Insurance Company  
97 Main Street  
Chatham, New Jersey 07928  
Phone: (201) 635-6800

**New Mexico**

CNA Insurance  
518 Seventeenth Street  
Denver, Colorado 80202  
Phone: (303) 266-0561

**New York**

Great American Insurance Company  
5 Dakota Drive  
Lake Success, New York 11040  
Phone: (516) 775-6900

**North Carolina**

Kemper Insurance  
1229 Greenwood Cliff  
Charlotte, North Carolina 28204  
Phone: (704) 372-7150

**North Dakota**

The St. Paul Fire & Marine Insurance Company  
Hamm Building  
408 St. Peter Street  
St. Paul, Minnesota 55102  
Phone: (612) 227-9581

**Ohio—Northern**

Commercial Union Insurance Company  
One Erieview Plaza  
Cleveland, Ohio 44114  
Phone: (216) 522-1060

**Ohio—Southern**

CNA Insurance  
111 East 4th Street  
Cincinnati, Ohio 45202  
Phone: (513) 621-7107

**Oklahoma**

Republic-Vanguard Insurance Group  
P.O. Box 3000  
Dallas, Texas 75221  
Phone: (214) 528-0301

**Oregon**

State Farm Fire & Casualty Company  
4600 25th Avenue, N.E.  
Salem, Oregon 97303  
Phone: (503) 393-0101

**Pennsylvania—Eastern**

General Accident F & L Assurance Corp., Ltd.  
414 Walnut Street  
Philadelphia, Pennsylvania 19106  
Phone: (215) 238-5000

**Pennsylvania—Western**

Zurich-American Group  
1665 Washington Road  
Pittsburgh, Pennsylvania 15228  
Phone: (412) 833-8000

**Puerto Rico**

Puerto Rico Inspection and Rating Bureau  
P.O. Box 1333  
San Juan, Puerto Rico 00902  
Phone: (809) 723-1830

**Rhode Island**

American Universal Insurance Company  
144 Wayland Avenue  
Providence, Rhode Island 02904  
Phone: (401) 351-4600

**South Carolina**

Maryland Casualty Company  
P.O. Box 1849  
Charlotte, North Carolina 28201  
Phone: (704) 525-8330

**South Dakota**

The St. Paul Fire & Marine Insurance Co.  
Hamm Building  
408 St. Peter Street  
St. Paul, Minnesota 55102  
Phone: (612) 227-9581

**Tennessee**

CNA Insurance  
110-21st Avenue South  
Nashville, Tennessee 37203  
Phone: (615) 327-0061

**Texas**

The Home Insurance Company  
2100 Travis Street  
Houston, Texas 77002  
Phone: (713) 225-0931

**Utah**

CNA Insurance  
518 Seventeenth Street  
Denver, Colorado 80202  
Phone: (303) 266-0561

**Vermont**

Commercial Union Insurance Company  
1 Beacon Street  
Boston, Massachusetts 02108  
Phone: (617) 725-6358

**Virginia**

Insurance Company of North America  
5225 Wisconsin Avenue, N.W.  
Washington, D.C. 20015  
Phone: (202) 244-2000

**Washington**

Fireman's Fund American Insurance Companies  
1000 Plaza 600 Building  
6th & Stewart  
Seattle, Washington 98101  
Phone: (206) 587-3200

**West Virginia**

U.S. Fidelity & Guaranty Company  
3324 McCorkle Avenue, S.E.  
Charleston, West Virginia 25304  
Phone: (304) 344-1692

**Wisconsin**

Aetna Insurance Company  
5735 East River Road  
Chicago, Illinois 60631  
Phone: (312) 693-2500

**Wyoming**

CNA Insurance  
518 Seventeenth Street  
Denver, Colorado 80202  
Phone: (303) 266-0561