

2000 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

THE STANDARD FIRE INSURANCE COMPANY
(TRAVELERS GROUP)

BY

THE FLORIDA DEPARTMENT OF INSURANCE

Filed Date: 2-19-01

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I. INTRODUCTION

The Standard Fire Insurance Company is a foreign property and casualty insurer licensed to conduct business in the State of Florida during the scope of this examination, January 1999 to June 2000. The examination began October 18, 2000 and ended October 27, 2000.

Records reviewed during this examination included Lender force placed flood policies.

Specifically, this report contains examination results addressing the relationship of issue date to effective date of Lender force placed flood policies.

II. REVIEW OF POLICIES

A. FLOOD POLICIES

1. Application of Rules and Rates

When a homeowner fails to maintain proof of flood insurance, a request is made to issue a force placed flood policy to provide the coverage. The Standard Fire Insurance Company currently has 215 policies in force. The initial new business policy period of Lender force placed flood policies was examined to establish the relationship of effective date to issue date of the policies.

2. Exam Findings

Seventy-seven (77) policies were reviewed. The initial policy period was reviewed in order to verify the handling of new policy issuance.

No errors were found and the policies reviewed were in compliance with the Federal Flood Guidelines for this lender force placed business in reference to backdating coverage. The practice of backdating is not allowed under the Federal Flood Program Guidelines, Exhibit I. The National Flood Insurance Program (NFIP), Exhibit II, in connection with mortgage portfolio reviews, states that the 30 day waiting period on new policies after receipt of the application and policy premium for the coverage to become effective does not apply. Date application and money were received will become the effective date as long as NFIP receives such within 10 working days.

The following chart reflects the pertinent data associated with the initial policy period of

seventy-seven policies reviewed.

THE STANDARD FIRE INSURANCE COMPANY

FORCE PLACED FLOOD POLICIES

No	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
1	6900011336	03/30/00	03/30/00	03/28/00	03/28/00	0
2	6900011328	03/30/00	03/30/00	03/28/00	03/28/00	0
3	6900011252	03/16/00	03/16/00	03/14/00	03/14/00	0
4	6900011211	03/16/00	03/16/00	03/14/00	03/14/00	0
5	6900010965	02/21/00	02/21/00	02/17/00	02/17/00	0
6	6900010981	02/21/00	02/21/00	02/17/00	02/17/00	0
7	6900011237	03/16/00	03/16/00	03/14/00	03/14/00	0
8	6900010999	02/28/00	02/28/00	02/24/00	02/24/00	0
9	6900011013	02/28/00	02/28/00	02/24/00	02/24/00	0
10	6900010759	01/05/00	01/05/00	01/03/00	01/03/00	0
11	6900010734	01/05/00	01/05/00	01/03/00	01/03/00	0
12	6900010718	01/05/00	01/05/00	01/03/00	01/03/00	0
13	6900010692	01/05/00	01/05/00	01/03/00	01/03/00	0
14	6900010767	01/05/00	01/05/00	01/03/00	01/03/00	0
15	6900010866	02/01/00	02/01/00	01/28/00	01/28/00	0
16	6900010858	02/01/00	02/01/00	01/28/00	01/28/00	0
17	6900010569	11/23/99	11/23/99	11/19/99	11/19/99	0
18	6900010585	11/23/99	11/23/99	11/19/99	11/19/99	0
19	6900011359	04/13/00	04/13/00	04/11/99	04/11/99	0
20	6900010635	12/08/99	12/08/99	12/06/99	12/06/99	0

	Policy #	Payment	Issue	Effective	Correct	Number of Days
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		Received	Date	Date	Effective Date	Backdated
21	6900010650	12/08/99	12/08/99	12/06/99	12/06/99	0
22	6900010668	12/08/99	12/08/99	12/06/99	12/06/99	0
23	6900008670	06/17/99	06/17/99	06/15/99	06/15/99	0
24	6900008662	06/17/99	06/17/99	06/15/99	06/15/99	0
25	6900008654	06/17/99	06/17/99	06/15/99	06/15/99	0
26	6900008621	06/17/99	06/17/99	06/15/99	06/15/99	0
27	6900008605	06/17/99	06/17/99	06/15/99	06/15/99	0
28	6900010247	06/18/99	06/18/99	06/16/99	06/16/99	0
29	6900010262	10/04/99	10/04/99	09/30/99	09/30/99	0
30	6900010270	10/04/99	10/04/99	09/30/99	09/30/99	0
31	6900009470	09/02/99	09/02/99	08/31/99	08/31/99	0
32	6900008589	06/07/99	06/07/99	06/03/99	06/03/99	0
33	6900008571	06/07/99	06/07/99	06/03/99	06/03/99	0
34	6900008597	06/07/99	06/07/99	06/03/99	06/03/99	0
35	6900007920	03/10/99	03/10/99	03/08/99	03/08/99	0
36	6900007896	03/10/99	03/10/99	03/08/99	03/08/99	0
37	6900007938	03/10/99	03/10/99	03/08/99	03/08/99	0
38	6900007912	03/10/99	03/10/99	03/08/99	03/08/99	0
39	6900007870	03/10/99	03/10/99	03/08/99	03/08/99	0
40	6900007904	03/10/99	03/10/99	03/08/99	03/08/99	0
41	6900007888	03/10/99	03/10/99	03/08/99	03/08/99	0
42	6900010379	10/07/99	10/07/99	10/05/99	10/05/99	0
43	6900010361	10/07/99	10/07/99	10/05/99	10/05/99	0
44	6900010346	10/07/99	10/07/99	10/05/99	10/05/99	0
45	6900010320	10/07/99	10/07/99	10/05/99	10/05/99	0

	Policy #	Payment	Issue	Effective	Correct	Number of Days
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		Received	Date	Date	Effective Date	Backdated
46	6900010304	10/07/99	10/07/99	10/05/99	10/05/99	0
47	6900010296	10/07/99	10/07/99	10/05/99	10/05/99	0
48	6900008217	04/14/99	04/14/99	04/12/99	04/12/99	0
49	6900008175	04/14/99	04/14/99	04/12/99	04/12/99	0
50	6900008191	04/14/99	04/14/99	04/12/99	04/12/99	0
51	6900008357	04/30/99	04/30/99	04/27/99	04/27/99	0
52	6900008324	04/28/99	04/28/99	04/26/99	04/26/99	0
53	6900008340	04/28/99	04/28/99	04/26/99	04/26/99	0
54	6900008332	04/28/99	04/28/99	04/26/99	04/26/99	0
55	6900009901	09/14/99	09/14/99	09/10/99	09/10/99	0
56	6900009846	09/14/99	09/14/99	09/10/99	09/10/99	0
57	6900009866	09/14/99	09/14/99	09/10/99	09/10/99	0
58	6900008068	03/04/99	03/04/99	03/02/99	03/02/99	0
59	6900008084	03/04/99	03/04/99	03/02/99	03/02/99	0
60	6900008100	03/04/99	03/04/99	03/02/99	03/02/99	0
61	6900009512	09/20/99	09/20/99	09/16/99	09/16/99	0
62	6900009553	09/20/99	09/20/99	09/16/99	09/16/99	0
63	6900009520	09/20/99	09/20/99	09/16/99	09/16/99	0
64	6900009852	09/13/99	09/13/99	09/10/99	09/10/99	0
65	6900009879	09/13/99	09/13/99	09/10/99	09/10/99	0
66	6900009835	09/13/99	09/13/99	09/10/99	09/10/99	0
67	6900009883	09/13/99	09/13/99	09/10/99	09/10/99	0
68	6900008050	03/04/99	03/04/99	03/02/99	03/02/99	0
69	6900008118	03/04/99	03/04/99	03/02/99	03/02/99	0
70	6900008159	03/04/99	03/04/99	03/02/99	03/02/99	0

	Policy #	Payment	Issue	Effective	Correct	Number of Days
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		Received	Date	Date	Effective Date	Backdated
71	6900008167	03/15/99	03/15/99	03/11/99	03/11/99	0
72	6900009496	09/20/99	09/20/99	09/16/99	09/16/99	0
73	6900009504	09/20/99	09/20/99	09/16/99	09/16/99	0
74	6900011564	05/17/00	05/17/00	05/15/99	05/15/99	0
75	6900011294	04/06/00	04/06/00	04/04/99	04/04/99	0
76	6900011286	04/06/00	04/06/00	04/04/99	04/04/99	0
77	6900011302	04/06/00	04/06/00	04/04/99	04/04/99	0

III. CLAIMS

One (1) claim was reviewed to verify that the date of loss occurred within the policy period.

No error was found.

The following chart reflects pertinent data associated with the claim reviewed.

FLOOD CLAIMS

No	INSURED	DATE OF LOSS	POLICY PERIOD	POLICY NO.	CLAIM NO.	COMMENT
1	Ornamental Fish Dist.	10/15/99	03/02/99-03/02/00	69000081 26	69000081 26-01	

SUBJECT _____ EXHIBIT NUMBER

FEDERAL FLOOD PROGRAM GUIDELINES I

WAITING PERIOD RULE II

CLAIM HANDLING PROCEDURES III