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2605 Washington Blvd, Ogden, Utah 84401

May 14, 2008

Jennifer J. Johnson, Secretary
Federal Reserve Board of Governors
Fax: 202-452-3819

Re: Loans in Areas Having Special Flood Hazards; Interagency Questions and Answers Regarding Flood Insurance—Docket No. OP1311

Dear Ms. Johnson:

I am writing in response to the proposed revisions to the Interagency Q & As regarding loans in areas having special flood hazards. While I have no specific issues with the newly revised questions and answers as proposed, I would like to strongly recommend that the agencies also address our concerns by providing additional guidance regarding the following:

1. There is very little information provided in the September 2007 Mandatory Purchase Guidelines regarding flood insurance coverage provided by private insurers. Our regulatory examiners expect to find insurance policies and policy declaration pages that mirror exactly what you would typically see on an insurance policy issued by the National Flood Insurance Program. Private insurers do not affiliate with the NFIP nor do they underwrite risk in the same manner as does the NFIP. The NFIP rates risk in each flood hazard zone and prices the insurance premium accordingly. For instance, a zone "AH" would have a different risk value than a zone "A." It is important, in regards to NFIP insurance, that the zone on the insurance certificate matches exactly to the zone designated on the flood determination form. Private insurers do not base the cost of coverage on individual flood zone risk.

Private insurers provide casualty property insurance covering fire, flood, earthquake, etc. I am presently battling a private insurer because we are requiring that the flood zone designation be stated in the insurance policy. We are also requiring that multiple structures be listed separately in the policy and also the "full replacement cost value" stated for each structure. Private insurers typically issue blanket coverage for all improvements. The one company that we are currently dealing with has refused to state the flood zone on the policy declarations page, and has further threatened a lawsuit if we direct his client to another insurance company that meets the regulatory expectations.

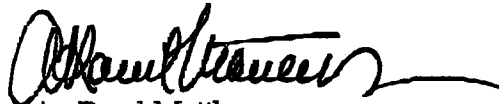
Here is the issue: what really is required to be disclosed on the declarations page of a privately issued flood insurance policy. Do private insurance policies have to mirror

exactly what you would find in a NFIP policy? Would the agencies consider writing an additional Q & A regarding private insurers?

2. There is very little guidance provided on the requirements for insuring non-residential business condominiums. Non-residential condos are treated differently and are insurable up to a maximum of \$500,000 regardless of the number of units. It is sometimes difficult to calculate the required amount of coverage for a loan on one unit where you are unable to determine the amount of other liens that may be in effect. FEMA recognizes that there are loopholes and problems with insuring non-residential condominiums. Additional guidance in the form of a Q & A addressing this issue would be beneficial to the banking industry.

I ask that the regulatory agencies consider issuing additional guidance on accepting flood insurance policies issued by private insurers, and also the requirements for insuring business condominiums.

Respectfully,

A handwritten signature in black ink, appearing to read "A. Rand Matthews", with a long horizontal flourish extending to the right.

A. Rand Matthews
Senior Vice President