

State of Idaho
DEPARTMENT OF INSURANCE

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WILLIAM W. DEAL
Director

BULLETIN NO. 07-1

DATE: February 15, 2007

TO: All Insurers and Insurance Producers with Property, Casualty
or Personal Lines of Authority

FROM: Bill Deal
Director

SUBJECT: Federal Emergency Management Agency Flood Insurance
Training Requirements for Insurance Producers Selling
Through The National Flood Insurance Program and
Recommendations Regarding the Sale of Flood Insurance

This Bulletin is being issued to clarify who must meet the training requirements for selling flood insurance through the National Flood Insurance Program ("NFIP") and when those training requirements must be met, as well as to recommend to insurance producers that they advise homeowners of the availability of flood insurance through the NFIP.

Federally-backed flood insurance is available through the NFIP, which is administered by the Federal Emergency Management Agency ("FEMA"). FEMA has implemented the Minimum flood insurance training requirements for insurance producers, as set forth in Section 207 of the Flood Insurance Reform Act of 2004, Pub. L. 108-264, (the "Act"). Under the Act, FEMA, in cooperation with state insurance regulators has developed flood insurance training requirements which are designed to ensure that insurance producers selling flood insurance under the NFIP are properly trained and educated about the program.

Under these requirements, all insurance producers licensed in property, casualty or Personal lines of authority who sell flood insurance through NFIP must complete a one-time course related to the NFIP which will provide three (3) hours of continuing education credit. The NFIP flood insurance course is available through approved continuing education providers. The failure to comply with this continuing education requirement may jeopardize the insurance producer's authority to write flood insurance through the NFIP.

In accordance with the requirements of the Flood Insurance Reform Act, and pursuant to the Director's authority under Idaho Code § 41-1013(5) and IDAPA 18.01.53, the Department is requiring all Idaho resident insurance producers licensed in property, casualty or personal lines of authority who sell flood insurance through the NFIP to comply with the minimum training requirements of Section 207 of the Act, and with basic flood education as outlined at 70 FR 52117, or such later requirements as are published by FEMA, by no later than April 1, 2007.

For those Idaho resident insurance producers licensed in property, casualty or personal lines of authority who do not currently sell flood insurance through the NFIP, but who intend to do so in the future, the department is requiring those producers to complete the one-time three (3) credit continuing education course related to NFIP *prior* to selling flood insurance through NFIP.

Licensed resident producers, who sell flood insurance through the NFIP in Idaho, shall demonstrate to the department, upon request, that they have complied with the minimum Flood insurance training requirements, as set forth above.

Additionally, the Department recommends when any insurance producer is either selling or renewing a home insurance policy, it would be prudent for the insurance producer to advise all applicants of the availability of flood insurance through the NFIP.

If, after being advised of the availability of flood insurance through the NFIP, an applicant declines NFIP coverage, it would be prudent for the insurance producer to have the applicant sign or initial a statement indicating that the applicant was advised of the availability of NFIP coverage, but declined to purchase it. This statement should be maintained by the insurance producer as part of the applicant's file.

Insurance producers can get more information about the NFIP by visiting FEMA's Website at <http://www.fema.gov/business/nfip/>.

Questions from insurance producers regarding this bulletin should be addressed to Lisa Tordjman, Supervisor of Producer Licensing, at (208) 334-4343. Questions from insurers should be addressed to Jim Genetti, Bureau Chief of the Consumer Services Bureau, at (208) 334-4340.