DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Jim Poolman
Commissioner of Insurance

BULLETIN 2007-1

TO: All Insurers and Resident Insurance Producers With a Property Line of Authority and Other Interested Parties

FROM: Jim Poolman, Commissioner

DATE: February 20, 2007

SUBJECT: Federal Flood Insurance Training Requirements for Insurance Producers With a Property Line of Authority Selling Through the National Flood Insurance Program (NFIP)

This bulletin advises all North Dakota resident insurance producers and insurance companies of the training requirements for selling flood insurance through the National Flood Insurance Program (NFIP).

Section 207 of the Flood Insurance Reform Act of 2004 requires all producers selling flood insurance policies under the NFIP to be properly trained and educated about the NFIP to ensure producers may best serve their clients.

The Act[1] directs the Director of the Federal Emergency Management Agency, in cooperation with the insurance industry, state insurance regulators, and other interested parties to establish minimum training and education requirements for all insurance producers who sell flood insurance policies. FEMA and state approved continuing education providers are developing courses related to the NFIP. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements by completing a one-time three-credit course related to the NFIP. A course that meets

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[1] SUPPLEMENTARY INFORMATION: On June 30, 2004, the President signed the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Flood Insurance Reform Act of 2004), Pub. L. 108-264. Section 207 of the Flood Insurance Reform Act of 2004 states:

The Director of the Federal Emergency Management Agency shall, in cooperation with the insurance industry, state insurance regulators, and other interested parties (1) Establish minimum training and education requirements for all insurance agents who sell flood insurance policies, and (2) Not later than six months after the date of enactment of this Act, publish these requirements in the Federal Register, and inform insurance companies and agents of the requirements.

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the minimum federal requirements may be approved for three hours of continuing education credit by the North Dakota Insurance Department.[2]

Any producer selling flood insurance policies under the NFIP is required to take a course that satisfies the federal education requirement. The failure to comply with this continuing education requirement may jeopardize the producer's authority to write insurance through the NFIP.

All North Dakota Property licensed resident insurance producers who sell federal flood insurance policies must comply with the minimum training requirements of Section 207 of the Flood Insurance Reform Act of 2004, and basic flood education as outlined at 70 Fed. Reg., 52117 (Sept. 1, 2005),[3] or such later requirements as are published by FEMA.

Licensed insurers shall demonstrate to the Commissioner, upon request, that their licensed and appointed producers who sell federal flood insurance policies have complied with the minimum federal flood insurance training requirements.

If you have any questions concerning this flood training requirement, please contact the Licensing Division at (701) 328-3548.

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[2] The North Dakota Insurance Department has approved the NFIP online course for three credits. The "Basic Agent Training" online course is available at http://training.nfipstat.com. Upon completion of this online training course, the producer will receive a certificate of completion. Additionally, the course is also available through several other approved continuing education providers.

[3] This notice describes FEMA's implementation of Section 207 of the Flood Insurance Reform Act of 2004. As required by the Act, FEMA has coordinated with the state insurance regulators, the insurance industry, and other interested parties. Input received from these organizations emphasizes the value of working through the state insurance departments to avoid establishing conflicting or burdensome training requirements upon insurance agents. While implementing the minimum training requirements required by Section 207, FEMA has been mindful of the Senate Report language (S. REP. NO. 108-262, at 4 & 9 (2004)) which cautions: In some cases, states may already have requirements to ensure that agents are well versed in the flood insurance program. Where possible, FEMA should work to make sure that agents are not burdened with inconsistent state and federal training and education requirements. In addition, where possible, FEMA should work to implement the training requirements through the states, which already have continuing education processes in place.