

Producer Minimum Flood Training Requirements

This bulletin is directed to all current and future licensed property and casualty insurance producers who sell, solicit, or negotiate flood insurance policies through the National Flood Insurance Program (NFIP). The Federal Flood Insurance Reform Act of 2004 (the Act) contemplates that all producers selling flood insurance policies under NFIP be properly trained and educated about NFIP to best serve their clients.

The Act instructs the director of the Federal Emergency Management Agency (FEMA), in cooperation with the insurance industry, state insurance regulators, and other interested parties, to establish minimum training and education requirements for all insurance agents who sell flood insurance policies. FEMA and state-approved continuing education providers are developing courses related to the NFIP. Flood insurance training is now required for producers selling, soliciting, or negotiating flood insurance policies. Failure to comply with this CE requirement may jeopardize the producer's authority to write insurance through the NFIP. Audits will be conducted by the NFIP, and a producer may be required during NFIP audits to provide evidence of completion of flood training. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements by completing a course related to the NFIP which has been approved for at least three (3) hours of continuing education (CE) credit by the Indiana Department of Insurance (IDOI).

CE providers seeking approval for a flood insurance course must cover all topics in the FEMA Topical Outline published at 70 Fed. Reg. 169, 52117-52119 – or such later requirements as are published by FEMA – and have their course approved for flood training by IDOI. To be approved as a flood insurance course, the course must be at least three (3) hours in length but may be longer. CE providers shall issue CE certificates of completion for approved flood courses, and attendees should keep their certificates indefinitely to verify compliance with this Bulletin.

In addition, a producer who sells federal flood insurance policies shall demonstrate to the Commissioner, upon request, compliance with the minimum flood insurance training requirement. A producer licensed before July 1, 2008, who sells, solicits, or negotiates flood insurance policies must comply with this CE requirement by the later of June 30, 2010, or the date of the producer's first sale, solicitation, or negotiation. Insurance producers licensed after June 30, 2008, must complete this CE requirement prior to their first sale, solicitation, or negotiation of flood insurance. Hours spent at an approved flood insurance course may also be used to fulfill the producer's general CE requirement. Flood training completed before July 1, 2008, will not be considered fulfillment of this requirement.

A producer selling flood insurance must only complete this minimum flood CE requirement once as long as the producer maintains a valid producer license. If a producer's license is terminated or lapses and the producer is required to re-take the producer licensing examination, the producer must take another approved flood insurance course before selling, soliciting, or negotiating flood insurance policies.

INDIANA DEPARTMENT OF INSURANCE


James Atterholt, Commissioner