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DATE: January 1, 2007

TO: Ohio Insurers and Insurance Agents with a Property & Casualty or Personal Lines Line of Authority

FROM: Director Ann Womer Benjamin

RE: Flood Insurance Training Requirements for Insurance Agents Selling Through the National Flood Insurance Program and Recommendations Regarding the Sale of Flood Insurance

The purpose of this Bulletin is to advise Ohio insurers and Ohio resident insurance agents of training requirements for selling flood insurance through the National Flood Insurance Program ("NFIP") and to recommend to insurance agents that they advise homeowners of the availability of flood insurance.

THE BALANCE OF THIS BULLETIN APPLIES TO YOU ONLY IF:

- **AS AN INSURER, YOU ISSUE FLOOD INSURANCE POLICIES THROUGH THE "WRITE YOUR OWN PROGRAM."**
- **AS AN AGENT, YOU SELL FLOOD INSURANCE TO YOUR CLIENTS DIRECTLY THROUGH NFIP OR THROUGH AN INSURER THAT ISSUES FLOOD INSURANCE POLICIES THROUGH THE "WRITE YOUR OWN PROGRAM."**

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 agents, as set forth in Section 207 of the Flood Insurance Reform Act of 2004, Pub. L. 108-264, (the "Act"). Pursuant to the Act, the Ohio Department of Insurance is requiring all Ohio resident insurance agents who sell flood insurance through NFIP to comply with the minimum training requirements of Section 207 of the Act, and with basic flood education, as outlined in 70 FR 52117, or such later requirements as are published by FEMA to ensure that insurance agents selling flood insurance under NFIP are properly trained and educated about the program.

Under these requirements, *all Ohio resident insurance agents licensed in property and casualty or personal lines line of authority that may sell a flood insurance policy* must complete a one-time course related to NFIP which will provide at least three (3) hours of continuing education credit. These three (3) hours are not required in addition to the normal 20 credits of continuing education, but as part of the requirement. NFIP flood insurance courses approved in Ohio are identified as a separate continuing education category type of "NFIP Flood."

Ohio agents who hold an active license, as of the date of this bulletin, must comply with the NFIP flood-training requirement no later than December 31, 2008. Any Ohio agent, upon receiving an initial Ohio license after the date of this bulletin, shall complete the NFIP flood-training requirement by the end of his or her first compliance period. The failure to comply with this continuing education requirement may jeopardize the insurance agent's authority to write flood insurance through the NFIP.

Licensed insurers shall demonstrate to the Ohio Department of Insurance, upon request, that their licensed and appointed agents who sell flood insurance through NFIP in Ohio have complied with the minimum flood insurance training requirements, as described above. Write-your-own private insurers are also required to track their agents' compliance with this requirement.

Additionally, the Ohio Department of Insurance recommends when an insurance agent is either selling or renewing a homeowner's insurance policy, that the insurance agent would be prudent to advise all applicants of the availability of flood insurance through NFIP. If, after being advised of the availability of flood insurance, an applicant declines the coverage, the insurance agent would again be prudent to have the applicant sign or initial a statement indicating that the applicant was advised of the availability of the coverage, but declined to purchase it. This statement should be maintained by the insurance agent as part of the applicant's file.

Insurance agents can obtain more information about the NFIP by visiting FEMA's NFIP website at <http://www.fema.gov/business/nfip/infoa.shtm>. Questions regarding this Bulletin should be addressed to the Department's License Division at 614-644-2665.



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