



# Oregon

Theodore R. Kulongoski, Governor

## Department of Consumer and Business Services

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### OREGON INSURANCE DIVISION BULLETIN INS 2007-3

- TO:** All Insurers and Insurance Producers with a Property Line of Authority
- RE:** Flood Insurance Training Requirements for Insurance Producers with a Property Line of Authority Selling 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 purpose of this bulletin is to call your attention to the requirement under federal law that all Oregon-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 (September 1, 2005) (to be codified in the Code of Federal Regulations) or such later requirements as are published by FEMA.

The federal act directs 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 producers who sell flood insurance policies. FEMA and state-approved continuing education providers offer and are continuing to develop courses related to the NFIP. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements by completing a course that is related to the NFIP and is approved for three hours of continuing education credit by the Oregon Insurance Division. The failure to comply with this continuing education requirement may jeopardize the producer's authority to write flood insurance through the NFIP. Determination of compliance falls with the scope of the federal government's authority.

Starting October 1, 2007, applicants for new and renewal resident producer licenses to sell property insurance who also want to sell flood insurance shall demonstrate that they have completed a one-time minimum three-hour continuing education course about the federal flood insurance program. Resident producers who are licensed to sell property insurance on September 30, 2007, and who sell flood insurance under the license may continue to sell flood insurance until the date of their next license renewal without proof they have completed the one-time continuing education requirement. The Division recommends that producers who sell flood insurance take additional continuing education about flood insurance after meeting the one-time requirement.

**Example 1:** A resident producer has a license to sell property insurance on October 1, 2007, with a license renewal date of September 30, 2009. The producer may continue to sell flood insurance without training until September 30, 2009. The producer

must show proof of completion of the one-time flood insurance training requirement to continue selling flood insurance after the producer license is renewed.

**Example 2:** On and after October 1, 2007, a new applicant or a renewal applicant, who wants to sell flood insurance, must show proof of completion of the one-time flood training requirement as a part of the application or renewal requirements.

Additionally, the Division recommends insurance producers selling or renewing homeowners' insurance policies advise their clients of the availability of flood insurance coverage.

This bulletin shall take effect immediately.

Signed this 8th day of June 2007.

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(Signed)  
Joel S. Ario, Insurance Administrator