

Arkansas Insurance Department

Mike Huckabee
Governor



Julie Benafield Bowman
Commissioner

December 14, 2006

BULLETIN NO.: 7 - 2006

TO: ALL PROPERTY AND CASUALTY INSURERS AND INSURANCE PRODUCERS WITH A PROPERTY LINE OF AUTHORITY, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

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 (the "Act") 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 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 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 course related to the NFIP which has been approved for three hours of continuing education credit by the Arkansas Insurance Department. The failure to comply with this continuing education requirement may jeopardize the producer's authority to write insurance through NFIP.

All Arkansas 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. 52,117 (Sept. 1, 2005) (to be codified at ___ C.F.R. pt. ___) or such later requirements as are published by FEMA.

Licensed insurers shall demonstrate to the Insurance 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.

Questions concerning this Bulletin should be directed to the License Division at 501-371-2750 or via e-mail at insurance.license@arkansas.gov.

(signed by Julie Benafield Bowman)

JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS