

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
OFFICE OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2007-07-INS**

**In the matter of:**

**Flood insurance training requirements for insurance producers with a property line of authority selling through the National Flood Insurance Program (NFIP)**

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**Issued and entered  
This 11th day of June 2007  
By Linda A. Watters  
Commissioner**

The purpose of this bulletin is to advise insurers and Michigan resident insurance producers of training requirements for selling federally-backed flood insurance through the National Flood Insurance Program (NFIP). Section 207 of the Federal Flood Insurance Reform Act of 2004 (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<sup>1</sup> 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 agents who sell flood insurance policies. FEMA and state approved continuing education providers have developed courses related to the NFIP. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements of the Act by completing a course related to the NFIP. Failure to comply with the training and education requirements of the Act will jeopardize an insurance producer's authority to write insurance through the NFIP.

An insurance producer who chooses to satisfy the training and education requirements of the Act by successfully completing a course related to the NFIP that has been approved

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<sup>1</sup> 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 6 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.

by the Michigan Office of Financial and Insurance Services (OFIS) under Section 1204c of the Michigan Insurance Code (Code). (MCL 500.1204c), will receive three hours of continuing education credit from OFIS. FEMA has not filed its online NFIP course for approval by OFIS, so the FEMA online course does not currently qualify for Michigan continuing education credit.

All Michigan licensed resident insurance producers who sell federal flood insurance policies must comply with the minimum training requirements of section 207 of the Act, and basic flood education as outlined at 70 Fed. Reg., 52117 (Sept. 1, 2005) <sup>2</sup>, or such later requirements as are published by FEMA, whether or not they receive Michigan continuing education credit for the course work.

Licensed insurers must demonstrate to the OFIS Commissioner, upon request, that their licensed and appointed producers who sell federal flood insurance policies through NFIP have complied with the minimum federal flood insurance training requirements, as described above.

Any questions regarding this bulletin should be directed to:

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Linda A. Watters  
Commissioner

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<sup>2</sup> 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.