

COMMONWEALTH OF VIRGINIA

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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

January 24, 2007

Administrative Letter 2007-01

To: All Property and Casualty Insurers and Insurance Agents authorized to transact Property and Casualty Insurance in the Commonwealth of Virginia.

Re: Flood Insurance Training Requirements for Insurance Agents with a Property and Casualty License or Personal Lines License Selling through the National Flood Insurance Program (NFIP)

Please distribute to the appropriate personnel within your company and notify your appointed agents of this change.

The purpose of this Administrative Letter is to advise Insurers and Virginia resident insurance agents of training requirements for selling flood insurance through NFIP. If you do not issue flood insurance policies as an insurer or you do not hold the requisite Virginia license to sell flood insurance to your clients, the following information will not apply.

Section 207 of the Flood Insurance Reform Act of 2004 (the Act) requires all agents selling flood insurance policies under the NFIP to be properly trained and educated about the NFIP to ensure agents 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 agents who sell flood insurance policies. FEMA and state approved continuing education providers are developing courses related to NFIP. An insurance agent 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 Virginia Insurance Continuing Education Board. The failure to comply with this education requirement may jeopardize the agent's authority to write insurance through the NFIP.

The federal law requires all resident Virginia licensed insurance agents who sell federal flood insurance policies to 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 (Sept. 1, 2005), or such later requirements as are published by FEMA.

Licensed insurers shall demonstrate, upon request, that licensed and appointed agents who sell federal flood insurance policies have complied, on their behalf, with the minimum federal flood insurance training requirements.

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Should you have any question please direct them to:

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Supervisor
Agent Licensing Section
P. O. Box 1157
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804-371-9631
804-371-9290 (Fax)

Cordially,

A handwritten signature in black ink, appearing to read "Alfred W. Gross". The signature is fluid and cursive, with the first name "Alfred" being the most prominent.

Alfred W. Gross
Commissioner of Insurance

AWG:ln