

IMPORTANT NOTICE

TO: All Licensed Fire and Casualty Producers and Insurers

FROM: James J. Donelon
Commissioner of Insurance

DATE: July 18, 2006

RE Notice of ACT 522 Requiring Three Hours of Continuing Education Dedicated to FLOOD Insurance

Governor Kathleen Babineaux Blanco has signed into law Act 522 of the 2006 Regular Legislative Session requiring that, beginning with renewals effective in 2007, three (3) hours of approved instruction shall be dedicated to flood insurance for producers authorized to write fire, casualty, or fire and casualty (this provision includes producers licensed for personal lines) insurance business.

This law becomes effective August 15, 2006. It is a one-time-only requirement and will not be required in the future to renew your insurance license. Producers issued new licenses between 5/1/05 and 4/30/07 will complete the flood education requirement as a part of their first two-year license renewal requirement and receive 3 hours of credit for it at that time.

FEMA, in cooperation with state insurance regulators, has developed flood insurance training requirements which are designed to ensure that insurance producers selling flood insurance under the National Flood Insurance Program (NFIP) are properly trained and educated about the program. The NFIP flood insurance course is available through approved continuing education providers.

Pursuant to the Act and the Commissioner of Insurance's authority, all Louisiana resident insurance producers licensed for fire, casualty, or fire and casualty (including personal lines) insurance business are required to comply with the minimum training requirements of Act 522 no later than December 31, 2006. The failure to comply with this continuing education requirement will jeopardize the insurance producer's license renewal.

Additionally, the Department recommends that when an insurance producer is either selling or renewing a home insurance policy, it would be prudent for the insurance producer to advise all applicants of the availability of flood insurance through the NFIP.

If, after being advised of the availability of flood insurance, an applicant declines the coverage, it would be prudent for the insurance producer 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 producer as part of the applicant's file. Insurance producers can get more information about the NFIP by visiting FEMA's NFIP Web site at <http://www.fema.gov/business/nfip/>.

If you have any questions regarding this notice or need information on providers who will be offering flood courses, please check our Web site at www.lds.state.la.us or contact the Agent Licensing Division at (225) 342-0860.

There are two groups of producers who ARE NOT required to earn Flood CE's. They are:

1. NON-RESIDENTS
2. PRODUCERS WHO HAVE A MEDICAL OR AGE 65 EXEMPTION