COMMONWEALTH OF MASSACHUSETTS
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JULIANNE M. BOWLER
COMMISSIONER OF INSURANCE

BULLETIN 2006-05

TO: All Insurers and Insurance Producers with Property, Casualty or Personal Lines of Authority

FROM: Julianne M. Bowler, Commissioner of Insurance Julianne M Bowler

DATE: June 1, 2006

RE: Federal Emergency Management Agency Flood Insurance Training Requirements for Insurance Producers Selling Through the National Flood Insurance Program and Recommendations Regarding the Sale of Flood Insurance

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The purpose of this Bulletin is to advise insurers and insurance producers of training requirements for selling flood insurance through the National Flood Insurance Program ("NFIP") and to recommend to insurance producers that they advise homeowners of the availability of flood insurance.

Federally-backed flood insurance is available through the NFIP, which is administered by the Federal Emergency Management Agency ("FEMA"). FEMA has implemented the minimum flood insurance training requirements for insurance producers, as set forth in Section 207 of the Flood Insurance Reform Act of 2004, Pub. L. 108-264, (the "Act"). Under the Act, 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 NFIP are properly trained and educated about the program.

Under these requirements, *all insurance producers licensed in property, casualty or personal lines of authority* must complete a one-time course related to NFIP which will provide three (3) hours of continuing education credit. The NFIP flood insurance course is available through approved continuing education providers. The failure to comply with this continuing education requirement may jeopardize the insurance producer's authority to write flood insurance through the NFIP.

Pursuant to the Act and the Commissioner of Insurance's authority under M.G.L. c. 175, § 177E, the Division is requiring *all Massachusetts resident insurance producers* who sell flood insurance through NFIP to comply with the minimum training requirements of Section 207 of the Act, and with basic flood education, as outlined at 70 FR 52117, or such later requirements as are published by FEMA, by *no later than December 31, 2006.*

Licensed insurers shall demonstrate to the Division, upon request, that their licensed and appointed producers who sell flood insurance through NFIP in Massachusetts have complied with the minimum flood insurance training requirements, as described above.

Additionally, the Division recommends 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 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 website at http://www.fema.gov/business/nfip/.

Questions from insurance producers regarding this Bulletin should be addressed to Diane Silverman Black, Director of Producer Licensing, who may be reached at (617) 521-7450. Questions from insurers should be addressed to Kevin Beagan, Deputy Commissioner and Director of the State Rating Bureau, at (617) 521-7323.

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COMMISSIONER OF INSURANCE

Bulletin 2006-06

To: Carriers subject to M.G.L. c. 176O

From: Julianne M. Bowler, Commissioner of Insurance

Date: June 15, 2006

Re: Waiver of the Five-year Requirement under 211 CMR 52.13(5)

The purpose of this bulletin is to inform carriers subject to M.G.L. c. 176O, also referred to as the Managed Care Statute, that the Division of Insurance ("Division") is waiving the provision under 211 CMR 52.13(5) until further notice, which requires that:

> Carriers may use evidences of coverage issued prior to July 1, 2001, as if in compliance with 211 CMR 52.13. Evidences of coverage issued or renewed on or after July 1, 2001 must comply with all of the requirements of 211 CMR 52.13. Carriers shall issue to at least one adult insured in each household whose coverage renews between July 1, 2001, and June 30, 2002, an evidence of coverage upon renewal that complies with 211 CMR 52.13. Carriers may provide notice of material changes by issuing riders, amendments or endorsements to insureds who have received evidences of coverage in compliance with 211 CMR 52.13, provided, that a completely revised evidence of coverage shall be issued to at least one adult insured in each household residing in Massachusetts at least once every five years.

The reason for this waiver is that the Division is currently amending this provision of the regulation, in addition to other provisions, and intends to promulgate and publish such amendments shortly.

If you have any questions about this bulletin, please contact the Bureau of Managed Care at the Division of Insurance, (617) 521-7347, or send a facsimile request to (617) 521-7773.