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**NOTICE**

TO: All Education Providers

DATE: January 12, 2010

SUBJECT: Advanced Flood Insurance Training for Insurance Producers

On January 10, 2007 the California Department of Insurance (CDI) sent a Notice to All Property/Casualty Insurers, Fire/Casualty Broker-Agents, and Personal Lines Broker-Agents informing them that all California licensed resident insurance producers who sell 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 (September 1, 2005) (42 U.S.C. 4011).

Specifically, an insurance producer who sells flood insurance may satisfy the minimum training and education requirements by completing a 3-hour course related to the National Flood Insurance Program (NFIP) which was approved by CDI's Producer Licensing Bureau's Education Section.

Recently, the Federal Emergency Management Agency (FEMA) received requests from insurance producers for advanced flood insurance training courses to be taken by individuals who previously completed the 3-hour basic flood insurance course. In response to these requests, FEMA prepared the attached NFIP Advanced Training Topics and Objectives.

The FEMA topics and objectives document on advanced NFIP training is to be followed by education providers when developing advanced flood training courses. Should you have any questions or concerns regarding this notice, you may contact the Education Section at (916) 492-3064.

Attachment

National Flood Insurance Program (NFIP) Advanced Training Topics and Objectives

1. Understanding the NFIP Elevation Certificate (EC)

Training Objectives: At the end of this course, students will be able to:

1. Advise property owners on why an EC is needed
2. Provide resources for obtaining an EC
3. Name entities allowed by law to complete an EC
4. Describe how the newest version of the EC differs from older versions
5. Interpret the information provided in the EC and apply it to:
 - a. Underwriting flood insurance policies
 - b. Rating flood insurance policies
6. Explain to property owners the purpose for the EC in applying for a Letter of Map Amendment (LOMA)
7. Provide information on how to obtain a LOMA
8. Accurately complete NFIP rating exercises using the EC
9. Identify common errors made on the EC form
10. Correctly identify properly engineered and approved alternative flood openings via use of :
 - a. The EC
 - b. Photographs
 - c. Property inspections
11. Distinguish between acceptable and unacceptable proofs of flood vent certification

2. Condominiums and Timeshares - Underwriting and Rating

Training Objectives: At the end of this course, students will be able to:

1. Distinguish the difference between condominium and timeshare “ownerships”
2. Describe the difference between a condominium association and a homeowners association
3. Identify the five methods of insuring condominiums (building and contents)
 - a. Association Residential
 - b. Unit Owner
 - c. Association Other Residential
 - d. Commercial Condominium
 - e. Commercial Unit Owners (contents)
4. Accurately determine condominium occupancy
 - a. Commercial
 - b. Residential
 - c. Other Residential
5. Determine the use of the proper NFIP Policy Form
 - a. General Property Form
 - b. Residential Condominium Building Association Policy (RCBAP)
 - c. Dwelling Form
6. List the eligibility requirements for each method of insuring a condominium (building and contents)
 - a. Accurately determine the building type
 - b. Low rise
 - c. High rise

7. Identify and use the appropriate rating chart for each method of insuring a condominium building and contents
8. Accurately use the NFIP Elevation Certificate to determine the building's lowest floor for rating
 - a. Identify the differences between the Standard Flood Insurance Policy forms
 - b. Coverage
 - i. Replacement Cost Coverage
 - ii. Increased Cost of Compliance Coverage
 - iii. Loss Assessment Coverage
 - iv. Co-insurance Clause
 - c. Policy Fees
9. Name the maximum policy limits for each condominium policy type (building and contents)
10. Accurately complete NFIP rating exercises for each method of insuring a condominium
11. Accurately complete a NFIP flood insurance application for an RCBAP
12. Accurately complete a NFIP rating exercise for insuring a timeshare
13. Name the approved types of evidences of insurance that can be provided to lenders
14. Effectively use the NFIP Flood Insurance Manual for underwriting and rating guidance

3. Commercial Buildings (non-condominium ownership) - Underwriting and Rating

Training Objectives: At the end of this course, students will be able to:

1. Determine building occupancy as commercial versus other residential and residential
2. Identify the proper Standard Flood Insurance Policy form for commercial buildings and contents, including mixed occupancy buildings
3. Determine building and contents eligibility
4. Apply NFIP flood insurance rating elements used in determining policy premiums for commercial buildings and contents
5. Accurately use the NFIP Elevation Certificate to determine the building's lowest floor for rating
6. Accurately complete an NFIP flood insurance application for commercial building and contents
7. Successfully complete NFIP ratings excises for insuring commercial buildings and contents
8. Identify the differences between the General Property Form and Dwelling Form coverage
 - a. Actual Cash Value
 - b. Replacement Cost

4. Grandfathering

Training Objectives: At the end of this course, students will be able to:

1. Explain the Grandfather Rules
2. Apply Grandfather Rule options in various rating situations
 - a. Continuous Coverage (Not more than 50% substantially improved)
 - b. Built in Compliance

3. Explain what rating options are available for Pre-FIRM properties employing the Grandfather rules
 - a. Elevation Rating
 - b. Standard Rating
4. Provide suggestions for lowering NFIP flood insurance premiums
 - a. Deductible options
 - b. Mitigation techniques
5. Create and print a FIRMette
6. Explain the purpose of a Letter of Map Amendment (LOMA)
7. Provide guidance on how to obtain a LOMA
8. Explain the benefits of map revisions
 - a. Manage flood risks
 - b. Assess flood risks
 - c. Informed decision making