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Bulletin 13-15

Date: May 13, 2013

To: All Licensed Insurance Producers

Re: Requirement to receive continuing education that directly relates to flood insurance

The purpose of this Bulletin is to inform all licensed Property and Casualty insurance producers in the State of Maryland who sell flood insurance of certain reforms and changes to the National Flood Insurance Program (NFIP) that are occurring as a result of the Biggert-Waters Flood Insurance Reform Act of 2012 (BW12). You may find a list of all of the changes at <http://www.fema.gov/national-flood-insurance-program/flood-insurance-reform-act-2012>. The following are some of the significant changes which will impact consumers who currently have NFIP policies or will consider the purchase an NFIP policy:

As of January 1, 2013, owners of a subsidized property which is not their primary residence and that is located in a Special Flood Hazard Area will receive an annual 25% rate increase until the premiums reach the actuarially appropriate rate for the risk.

Owners of primary residences located in Special Flood Hazard Areas will be able to maintain their subsidized rates until:

- (1) they sell their property;
- (2) their existing flood policy lapses;
- (3) they have a severe, repetitive flood loss; or
- (4) they purchase a new policy.

As of October 1, 2013, owners of properties that have experienced severe, repetitive flood losses will receive an annual 25% rate increase until their premiums reach the actuarially appropriate rate for the risk.

As of October 1, 2013, business properties located in Special Flood Hazard Areas will receive an annual 25% rate increase until the premiums reach the actuarially appropriate rate for the risk.

Communities may work with their local officials to join the Community Rating System or to increase their activities as a means of reducing the rates for residents in the community.

For more information on the changes as a result of BW12, please go to: <https://agents.floodsmart.gov/manageagent/>. For more information on available continuing education courses that will include material related to these changes, please refer to www.prometric.com or call [1-800-324-4592](tel:1-800-324-4592).

Questions concerning this Bulletin may be directed to Shelley Taylor, Licensing Supervisor at shelley.taylor@maryland.gov or (410) 468-2442.

Therese M. Goldsmith

Commissioner

Signature on original

By: _

Sabrina Wells

Associate Commissioner, Administration