

**QUESTION:** I have a property-casualty insurance license and occasionally sell flood insurance through one of our carriers or one of the private flood insurance markets, but not directly through the National Flood Insurance Program (NFIP.) Am I required to take the three-hour enhanced flood insurance instruction continuing education (CE) course?

**ANSWER:** Yes. If you sell flood insurance provided by anyone, you must take the course.

The New York insurance regulation that took effect two years ago states:

(a) For purposes of this section: ...

(2) *Enhanced flood insurance instruction* means courses or programs of instruction and seminars related to being a licensee and the sale of flood insurance through the NFIP that include instruction on NFIP coverage, limits, and rates, including coverage for dwellings in urban environments; annual updates to the NFIP; measures to improve flood insurance affordability; the impact of climate change on flood risk and the NFIP; and the NFIP claims process, including the role of adjusters. Enhanced flood insurance instruction shall not include the minimum training requirements of section 207 of the Flood Insurance Reform Act of 2004 or basic flood education as outlined or published by the Federal Emergency Management Agency. ...

(4) *Flood insurance instruction* means courses or programs of instruction and seminars related to a licensee and the sale of flood insurance through the NFIP, including the minimum training requirements of section 207 of the Flood Insurance Reform Act of 2004 and basic flood education as outlined or published by the Federal Emergency Management Agency. ...

(6) *Licensee* means a person who or that is licensed under Insurance Law article 21 and subject to the continuing education requirements set forth in Insurance Law article 21.

(7) *NFIP* means the National Flood Insurance Program.

(b) Of the 15 credit hours of instruction that a licensee shall complete in accordance with Insurance Law article 21, the licensee shall satisfactorily complete courses or programs of instruction or attend seminars, as the superintendent may approve, that provide: ...

(4) at least one hour of flood insurance instruction, if the licensee is licensed to sell one or more lines of property/casualty insurance; and

(5) at least three hours of enhanced flood insurance instruction, if the licensee sells flood insurance through the NFIP.

Many Big I New York members have pointed to the wording in subsection (b)(5) as evidence that they are not required to take the three-hour course because they do not sell flood insurance through the NFIP. While that interpretation is understandable, we believe the intent of the New York State Department of Financial Services (DFS) when writing this regulation was to require anyone selling any flood insurance policy to take the course.

We base that belief on a [news release](#) DFS issued on October 13, 2021, announcing the regulation, starting with the headline:

**Acting Superintendent Adrienne A. Harris Announces DFS Will Require Continuing Education in Flood Insurance for Insurance Producers as Flood Risk Increases Due to Climate Change**

DFS Also Announces First-in-the-Nation Requirement for Training in Diversity, Inclusion and the Elimination of Bias for Insurance Producers and Public Adjusters

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October 13, 2021

The regulation mandated five types of CE instruction: Insurance law; ethics and professionalism; diversity, inclusion, and elimination of bias; flood insurance; and enhanced flood insurance. However, only two of them were included in the news release's headline in large bold font. In addition, in the ten-paragraph release, flood insurance was mentioned in the first three paragraphs, and climate change was mentioned in the fifth, sixth and seventh paragraphs. It appears to us that producer education on flood insurance is a high priority for DFS. While we wish the wording in the regulation was more definitive, we have no doubt that DFS expects any licensed agent or broker who sells flood insurance at all to take the enhanced flood insurance instruction course.

**RULES AND REGULATIONS OF THE STATE OF NEW YORK**  
**TITLE 11. INSURANCE DEPARTMENT**  
**Chapter II — AGENTS, BROKERS AND ADJUSTERS**  
**Part 20. Brokers and Agents – General**  
**(Regulations 9, 18 and 29)**  
11 NYCRR 20.7 Continuing education requirements

(a) For purposes of this section:

(1) *Diversity, inclusion, and elimination of bias instruction* means courses or programs of instruction and seminars related to being a licensee that include implicit and explicit bias; equal access to justice; serving a diverse population; diversity and inclusion initiatives in the insurance industry; and sensitivity to cultural and other differences when interacting with clients, potential clients, or other members of the public.

(2) *Enhanced flood insurance instruction* means courses or programs of instruction and seminars related to being a licensee and the sale of flood insurance through the NFIP that include instruction on NFIP coverage, limits, and rates, including coverage for dwellings in urban environments; annual updates to the NFIP; measures to improve flood insurance affordability; the impact of climate change on flood risk and the NFIP; and the NFIP claims process, including the role of adjusters. Enhanced flood insurance instruction shall not include the minimum training requirements of section 207 of the Flood Insurance Reform Act of 2004 or basic flood education as outlined or published by the Federal Emergency Management Agency.

(3) *Ethics and professionalism instruction* means courses or programs of instruction and seminars related to a licensee that includes a licensee's professional obligations to clients and potential clients; the sources of a licensee's professional obligations, such as the Insurance Law and regulations promulgated thereunder and court decisions; recognition and resolution of ethical dilemmas; the mechanisms for enforcing professional norms; substance abuse control; and professional values, such as professional development, improving the profession, and the promotion of fairness, justice, and morality.

(4) *Flood insurance instruction* means courses or programs of instruction and seminars related to a licensee and the sale of flood insurance through the NFIP, including the minimum training requirements of section 207 of the Flood Insurance Reform Act of 2004 and basic flood education as outlined or published by the Federal Emergency Management Agency.

(5) *Insurance Law instruction* means courses or programs of instruction and seminars related to a licensee that include an overview of the provisions of the Insurance Law and regulations promulgated thereunder that are relevant to a licensee, such as Insurance Law sections 2102, 2114, 2115, 2116, 2117, 2119, 2120, 2122, 2324, 4224, and 6409, Insurance Law Article 26, this Part, and Parts 25, 30, 34, 35, and 224 of this Title.

(6) *Licensee* means a person who or that is licensed under Insurance Law article 21 and subject to the continuing education requirements set forth in Insurance Law article 21.

(7) *NFIP* means the National Flood Insurance Program.

(b) Of the 15 credit hours of instruction that a licensee shall complete in accordance with Insurance Law article 21, the licensee shall satisfactorily complete courses or programs of instruction or attend seminars, as the superintendent may approve, that provide:

- (1) at least one hour of Insurance Law instruction;
- (2) at least one hour of ethics and professionalism instruction;
- (3) at least one hour of diversity, inclusion, and elimination of bias instruction;

(4) at least one hour of flood insurance instruction, if the licensee is licensed to sell one or more lines of property/casualty insurance; and

(5) at least three hours of enhanced flood insurance instruction, if the licensee sells flood insurance through the NFIP.

(c) The requirements set forth in subdivision (b) of this section shall apply to a licensee whose license renews on or after April 1, 2022.

**Authority** - Sections 202 and 302 of the Financial Services Law and Sections 301, 2108(r), and 2132 of the Insurance Law.

**History** Eff. 11-12-2021.