

April 12, 2023

The North Dakota Insurance Department has become aware of an issue surrounding the writing of National Flood Insurance Program (“NFIP”) policies, primarily for areas in North Dakota-organized townships. The Federal Emergency Management Agency (“FEMA”) administers the NFIP. Federal law only allows NFIP policies to be written within communities that have agreed to actively administer and manage NFIP-identified floodplains to the minimum federal and state standards. For purposes of federal law, counties, organized townships, and municipalities are considered separate communities. Under this interpretation, each organized township in North Dakota must agree to participate in the NFIP independently or have an agreement with its respective county or municipality to administer the program on its behalf. Currently, several organized townships do not have NFIP agreements in place. As a result, insurance producers must be aware that certain insureds may not be eligible for NFIP coverage at this time. However, this issue does not affect the ability of an insured to obtain private flood insurance.

FEMA is conducting a one-time study to capture if a county, municipality, or organized township is participating in the NFIP independently or through agreements with each other. This study is ongoing, and updates will not be completed prior to summer. Currently, FEMA maintains a [list](#), available through the ND Department of Water Resources, of all known participating municipalities, counties, and organized townships in North Dakota. However, as noted above, this list is still being updated.

The State of North Dakota also plans to study this issue. Through Senate Bill 2365, passed by the 68th Legislative Assembly, Legislative Management will study how North Dakota agencies can track, update, and store information related to political subdivisions in North Dakota moving forward as it pertains to land use authority, which will help to keep current NFIP coverage eligibility information. This will ensure insurance producers have access to accurate information when writing NFIP policies in the future.

With the spring snowmelt underway, the North Dakota Insurance Department urges every insurance producer to be aware of this issue. It is the insurance producer’s responsibility to ensure all insurance products are provided in compliance with all applicable rules and regulations surrounding the insurance products. Insurance producers should do their best to identify if their insureds are in organized townships that either participate independently or through an agreement with their respective county or municipality. Producers may contact the [North Dakota Department of Water Resources](#) at 701-328-4956 for assistance determining if an organized township is participating at this time. Producers may also contact the [North Dakota Insurance Department](#) at 701-328-2440 for information regarding private flood insurance options.



North Dakota Insurance Department

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