

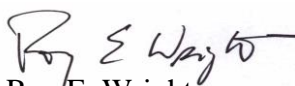


FEMA

W-17041

September 12, 2017

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent

FROM:   
Roy E. Wright  
Deputy Associate Administrator for Insurance and Mitigation  
Federal Insurance and Mitigation Administration

SUBJECT: Extension of the Grace Period for Payment of National Flood Insurance Program (NFIP) Premiums for Hurricane Irma

The Standard Flood Insurance Policy (SFIP) provides that the term of the policy commences on its inception date and ends on its expiration date. In order to avoid a lapse or reduction in coverage, the National Flood Insurance Program (NFIP) insurer must receive a policyholder's renewal premium payment within thirty (30) days of the expiration date of the policy or by the premium due date for any additional premium requested due to underpayment.

Beginning September 5, 2017, the U.S. Virgin Islands and Puerto Rico experienced severe and historic flooding related to Hurricane Irma. Hurricane Irma continued moving north and west, and then began impacting the State of Florida on September 9, 2017. The extensive damage to homes and businesses, as well as widespread disruption of power, transportation, and communication infrastructure, has caused concerns about delays in receipt of renewal premiums by the NFIP Servicing Agent, WYO Companies, and their vendors. The concern about the possible lapses or reduction in coverage, and the subsequent denials of claims occurring during a gap in coverage, compels me to extend the 30-day grace period for receipt by the NFIP of flood insurance renewal premiums and of any additional premium due as required by an underpayment notice.

Accordingly, pursuant to waiver provisions of the SFIP,<sup>1</sup> I hereby waive the SFIP renewal<sup>2</sup> and reformation<sup>3</sup> provisions to provide that the 30-day grace period for receipt of the renewal payment after a policy's expiration date, or the due date for receipt of any additional premium resulting from an underpayment, is changed to 120 calendar days. For renewal payments, this extension applies to policies with expiration dates on or between August 7, 2017, and October 6, 2017. This extension also applies to policies with underpayment notices for additional premium payment due on or between August 7, 2017, and October 6, 2017.

<sup>1</sup> Article VII.D of the Dwelling Form (Appendix A(1) to 44 CFR Part 61); Article VII.D of the General Property Form (Appendix A(2) to 44 CFR Part 61); Article VIII.D of the Residential Condominium Building Association Policy (Appendix A(3) to 44 CFR Part 61).

<sup>2</sup> Article VII.H of the Dwelling Form; Article VII.H of the General Property Form; Article VIII.H of the Residential Condominium Building Association Policy.

<sup>3</sup> Article VII.G of the Dwelling Form; Article VII.G of the General Property Form; Article VIII.G of the Residential Condominium Building Association Policy.

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This waiver applies to all NFIP policies, whether issued by the NFIP Servicing Agent or a Write Your Own Company, written for properties in areas in the U.S. Virgin Islands, Puerto Rico, and counties in Florida that have received a Major Disaster Declaration for Individual Assistance (IA). The waiver applies for DR-4335, DR-4336, and DR-4337.

A current list of declared IA counties for this disaster can be located on the FEMA website at:

- <https://www.fema.gov/disaster/4335/designated-areas>
- <https://www.fema.gov/disaster/4336/designated-areas>
- <https://www.fema.gov/disaster/4337/designated-areas>

For example, for a policy insuring a property located in an affected area with a policy expiration date of August 7, 2017, the renewal premium payment would have to be received by the NFIP insurer or sent via certified mail on or before December 4, 2017. For a policy expiring on or after October 7, 2017, the normal 30-day grace period for receipt of the renewal premium will apply.

Affected policyholders should keep in mind that the NFIP cannot pay a claim for flood loss that occurs after the policy expiration date unless the NFIP insurer receives the renewal premium on or before the last day of the grace period as extended by this waiver. This limited waiver of a grace period does not waive any other provision of the SFIP.

If you have any questions about this bulletin, please contact Tony Hake, Director of the Product Delivery Division, at [Lloyd.hake@fema.dhs.gov](mailto:Lloyd.hake@fema.dhs.gov).

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Underwriting, Marketing

## GRACE PERIOD EXTENSION SUMMARY FOR HURRICANE IRMA

FEMA is extending the renewal grace period from 30 days to 120 days. This grace period extension applies to all policies in the affected areas with expiration dates on or between August 7, 2017 and October 6, 2017.

Here is how the extension of the grace period for payment of premium works:

### Renewals

- Policies with an expiration date of August 7, 2017, through October 6, 2017, are eligible for the grace period extension. Payment for those policies must be received within 120 days of the policy expiration date.
- Example: If the policy expiration date is August 7, 2017, the policyholder now has 120 days (until December 4, 2017) for the insurer to receive the renewal payment and still keep the policy in effect without a lapse in coverage.
- Policies with an expiration date of August 6, 2017, or earlier are not eligible for the extension.
- Policies with an expiration date of October 7, 2017, or later are not eligible for the extension.

### Underpayments

- Policies with additional premium notices dated August 7, 2017, through October 6, 2017, are eligible for the 120-day extension from the date of notice. The additional premium payment for those policies must be received within 120 days of the additional premium notice date.
- If the insurer does not receive the additional premium within the 120-day extension, the insurer will reduce the coverage amount to match the premium already received. Payment received after the 120-day extension will result in a 30-day waiting period for the additional coverage.
- Policies with additional premium notices dated prior to August 7, 2017 are not eligible for the extension.
- Policies with additional premium notices dated after October 6, 2017, are not eligible for the extension.