

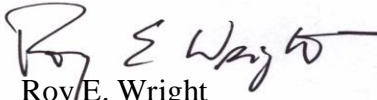


FEMA

W-17060

September 29, 2017

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators and the National Flood Insurance Program (NFIP) Direct 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 Maria

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.

The U.S. Virgin Islands and Puerto Rico have experienced the impact of severe and historic flooding related to Hurricane Irma and Hurricane Maria. In Bulletin W-17041, dated September 12, 2017, I waived the SFIP renewal and reformation 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, extending the grace period for premium payments for properties in the U.S. Virgin Islands and Puerto Rico as a result of Hurricane Irma. Due to the additional impacts caused by Hurricane Maria, I am revising the dates of the previous extension for properties in the U.S. Virgin Islands and Puerto Rico. The extension now applies to policies with expiration dates on or between August 7, 2017, and October 18, 2017. This extension now also applies to policies with underpayment notices for additional premium payment due on or between August 7, 2017, and October 18, 2017.

This extension of the grace period due to Hurricane Maria pursuant to my waiver under Bulletin W-17041 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 and Puerto Rico that have received a Major Disaster Declaration for Individual Assistance (IA) under DR-4339 and DR-4340.

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.

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If you have any questions about this bulletin, please contact Tony Hake, Director of the Product Delivery Division, at 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 MARIA

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 of the U.S. Virgin Islands and Puerto Rico with expiration dates on or between August 7, 2017 and October 18, 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 18, 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 19, 2017, or later are not eligible for the extension.

Underpayments

- Policies with additional premium notices dated August 7, 2017, through October 18, 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 18, 2017, are not eligible for the extension.