



FEMA

W-16057

August 22, 2016

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

FROM:

A handwritten signature in black ink that reads "Roy E. Wright".

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) Renewal Premiums

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 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.

Beginning August 11, 2016, the State of Louisiana has experienced severe storms and historic flooding. This disaster has caused major destruction to communities across the state, displacing thousands of Louisianans. 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, Write Your Own Companies, and their vendors. The concern about the possible lapses in coverage and the subsequent denials of claims occurring during a gap in coverage compels me to extend the thirty (30) day grace period for receipt by the NFIP of flood insurance renewal premiums.

Accordingly, pursuant to waiver provisions of the SFIP¹, I hereby waive the SFIP renewal provisions² to provide that the 30-day grace period for receipt of the renewal premium payment after a policy's expiration date is extended for an additional ninety (90) calendar days. This extension is applicable to all policies with a grace period ending August 11, 2016, through September 10, 2016.

¹ 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 VII.D of the Residential Condominium Building Association Policy (Appendix A(3) to 44 CFR Part 61).

² Article VII.H of the Dwelling Form; Article VII.H of the General Property Form; Article VII.H 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 the following parishes in Louisiana: Acadia, Ascension, Avoyelles, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Helena, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington and West Feliciana.

For example, for a policy insuring property located in Louisiana with a grace period ending on August 21, 2016, the renewal premium payment would have to be received by the NFIP Insurer or sent via certified mail on or before November 19, 2016. As to a policy with a grace period ending date of September 11, 2016, or later, the normal 30-day grace period will apply for receipt of the renewal premium payment.

Effected policyholders should keep in mind that the NFIP cannot pay a claim that occurs after the expiration date unless the NFIP Insurer actually receives renewal premium on or before the last day of the grace period as extended by this waiver.

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

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Marketing, Underwriting