



# Federal Emergency Management Agency

Washington, D.C. 20472

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**MEMORANDUM TO:** Write Your Own Principal Coordinators and the  
National Flood Insurance Program Servicing Agent

**FROM:** Robert F. Shea   
Acting Administrator  
Federal Insurance and Mitigation Administration

**SUBJECT:** Extension of the Grace Period for Payment of National  
Flood Insurance Program 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, and if the policyholder is to assure that the coverage is renewed for a contract term, without a lapse in coverage, the renewal premium payment must be received by the National Flood Insurance Program (NFIP) Insurer within thirty (30) days of the expiration date of the policy.

In September, due to the nationwide shutdown of the airline system, I issued a waiver extending the renewal grace period by ten (10) days. That extension applied to policies with grace periods ending September 11, 2001, through October 1, 2001. The recent shutdown of various post offices and postal distribution facilities around the country has caused additional 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 again extend the thirty (30) day grace period for receipt by the NFIP of flood insurance renewal premiums.

Accordingly, pursuant to the provisions of the SFIP dealing with waivers (see General Conditions section of each of the three SFIP policy forms):

1. The SFIP renewal provisions are hereby waived 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 fifteen (15) days. This extension is applicable to all policies with a grace period ending October 2, 2001, through December 31, 2001. For example, for a policy with a grace period ending on October 14, 2001, the renewal premium payment would have to be received by the NFIP Insurer on or before October 29, 2001. As to a policy with a grace period ending date of January 1, 2002, or later, the normal thirty (30) day grace period will apply for receipt of the renewal premium payment.
2. This waiver applies to all NFIP policies, whether issued by the NFIP Servicing Agent or through one of the Write Your Own Companies.

It should be kept in mind that no claim that occurs after the expiration date is payable unless the renewal premium is actually received by the NFIP Insurer on or before the last day of the grace period as extended by this waiver.

We will continue to monitor the situation, and if necessary, we will make revisions in this waiver.

Any questions or inquiries regarding this notice should be directed to Donald Beaton, Chief Underwriter, Federal Insurance and Mitigation Administration at (202) 646-3442, or (email) [donald.beaton@fema.gov](mailto:donald.beaton@fema.gov).

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government  
Technical Representative

Suggested Routing: Accounting, Data Processing, Underwriting