



FEMA

W-04055

August 26, 2004

MEMORANDUM FOR: Write Your Own Principal Coordinators and the NFIP Servicing Agent

FROM: David I. Maurstad *David I. Maurstad*
Acting Director
Mitigation Division
Emergency Preparedness and Response Directorate

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.

On August 13, 2004, Hurricane Charley struck the Gulf Coast of Florida as a category 4 hurricane and caused major destruction to homes and businesses across the state. The closing of airports and the damage to homes, United States Postal Service facilities, and 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 the provisions of the SFIP dealing with waivers (see General Conditions section of each of the three SFIP 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 sixty (60) days. This extension is applicable to all policies with a grace period ending August 13, 2004, through October 15, 2004. For example, for a policy with a grace period ending on August 19, 2004, the renewal premium payment would have to be received by the NFIP Insurer on or before October 17, 2004. As to a policy with a grace period ending date of October 16, 2004, or later, the normal 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 a Write Your Own Company, written on properties located in the State of Florida

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 as recovery efforts continue. 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 Emergency Management Agency, at (202) 646-3442, or (email) donald.beaton@dhs.gov.

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

Suggested Routing: Accounting, Data Processing, Underwriting, Claims

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