




FEMA

W-17029a

September 9, 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  
(Supersedes Bulletin W-17029)

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 August 24, 2017, the State of Texas has experienced severe and historic flooding related to Hurricane Harvey. This disaster has caused major destruction in communities across the state, displacing thousands of Texans. 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 July 24, 2017, and September 22, 2017. This extension also applies to policies with underpayment notices for additional premium payment due on or between July 24, 2017, and September 22, 2017.

<sup>1</sup> Article VII.D of the Dwelling Form (Appendix A(1) to 44 CFR Part 61); Article VIL.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 counties in Texas that have received a Major Disaster Declaration for Individual Assistance (IA) for DR-4332. A current list of declared IA counties is available on the FEMA website at: <https://www.fema.gov/disaster/4332>.

For example, for a policy insuring a property located in an affected Texas county with a policy expiration date of July 24, 2017, the renewal premium payment must be received by the NFIP insurer or sent via certified mail on or before November 20, 2017. For a policy expiring on or after September 23, 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.

This bulletin supersedes Bulletin W-17029 to clarify the guidance, to include the link to the FEMA website containing the updated list of affected declared IA Texas counties for DR-4332, and to correct the calculated due dates as needed to accurately reflect the authorized 120-day grace period extension.

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 HARVEY - TEXAS

FEMA is extending the renewal grace period from 30 days to 120 days. This grace period extension applies to all policies in the affected counties with expiration dates on or between July 24, 2017 and September 22, 2017.

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

### Renewals

- Policies with an expiration date of July 24, 2017, through September 22, 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 July 24, 2017, the policyholder now has 120 days (until November 20, 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 July 23, 2017, or earlier are not eligible for the extension.
- Policies with an expiration date of September 23, 2017, or later are not eligible for the extension.

### Underpayments

- Policies with additional premium notices dated July 24, 2017, through September 22, 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 July 24, 2017 are not eligible for the extension.
- Policies with additional premium notices dated after September 22, 2017, are not eligible for the extension.