

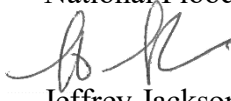


FEMA

W-22013

October 6, 2022

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

FROM:   
Jeffrey Jackson  
Acting Assistant Administrator for Federal Insurance  
Federal Insurance and Mitigation Administration

SUBJECT: Extension of the Grace Period for Payment of NFIP Premiums for  
Hurricane Fiona

The Standard Flood Insurance Policy (SFIP) provides that the term of the policy commences on its inception date and ends on its expiration date. To avoid a lapse or reduction in coverage, a National Flood Insurance Program (NFIP) insurer must receive a policyholder's renewal premium payment within 30 days of the expiration date of the policy, or by the premium due date for any additional premium requested due to underpayment.

The Commonwealth of Puerto Rico experienced severe and historic flooding related to Hurricane Fiona. The extensive damage to homes and businesses, as well as widespread disruption of power, transportation, and communication infrastructure, may delay receipt of policy premiums by NFIP insurers. 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.

#### **I. Extension of Renewal Grace Period**

To decrease the chance of a coverage lapse caused by Hurricane Fiona, I am extending the 30-day grace period for receipt of the renewal payment after a policy's expiration date.<sup>1</sup> This extension applies to policies with expiration dates beginning August 17, 2022, through and including October 15, 2022. The NFIP insurer must receive the appropriate renewal premium for these policies within 90 days of the expiration date to avoid a lapse in coverage.

For example, for a policy insuring a property with a policy expiration date of August 17, 2022, the NFIP insurer must receive the renewal premium payment on or before November 14, 2022, and for

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<sup>1</sup> See SFIP Dwelling Form, Article VII.E.2; SFIP General Property Form, Article VII.E.2; SFIP Residential Condominium Building Association Policy, Article VIII.E.2.

a policy insuring a property with a policy expiration date of October 15, 2022, the NFIP insurer must receive the renewal premium payment on or before January 12, 2023, to avoid a lapse in coverage. However, if a policy expires after the extension expiration date (for example, a policy with an expiration date of October 16, 2022, or later), the normal 30-day grace period for receipt of the renewal premium will apply.

## **II. Extension of Underpayment Grace Period**

To decrease the chance of a lapse or decrease in coverage caused by Hurricane Fiona, I am extending the 30-day deadline to make an additional premium payment after receiving an underpayment notice.<sup>2</sup> If a policyholder receives an underpayment notice with a date of August 17, 2022, through October 15, 2022, then the NFIP insurer must receive the additional premium amount requested within 90 days of the date of the notice.

## **III. Applicability**

This bulletin applies for all NFIP policies, whether issued by NFIP Direct or a WYO company, written for properties in Puerto Rico that have received a major disaster declaration for Individual Assistance (IA) for DR 4671. DR 4671 includes properties in the entire Commonwealth of Puerto Rico.

<https://www.fema.gov/disaster/4671/designated-areas>

## **IV. Administration**

NFIP insurers must track each application of this bulletin and provide FEMA with these records upon request.

## **V. Authority**

This bulletin is authorized under Article VII.C of the SFIP Dwelling Form (Appendix A(1) to 44 CFR Part 61); Article VII.C of the SFIP General Property Form (Appendix A(2) to 44 CFR Part 61); and Article VIII.C of the SFIP Residential Condominium Building Association Policy (Appendix A(3) to 44 CFR Part 61).

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Underwriting, Marketing

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<sup>2</sup> See SFIP Dwelling Form, Article VII.D.3(a)(1); SFIP General Property Form, Article VII.D.3(a)(1); SFIP Residential Condominium Building Association Policy, Article VIII.D.3(a)(1).