



Federal Emergency Management Agency

Washington, D.C. 20472

W-01062

2028-01

September 14, 2001

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.

The nationwide shutdown of the airline system, which began on September 11, 2001, 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 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 ten (10) days. This extension is applicable to all policies with a grace period ending September 11, 2001, through October 1, 2001. For example, for a policy with a grace period ending on September 14, 2001, the renewal premium payment would have to be received by the NFIP Insurer on or before September 24, 2001. As to a policy with a grace period ending date of October 2, 2001, 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 as airports re-open, and airlines build their service up to normal levels. 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.

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

Suggested Routing: Accounting, Data Processing, Underwriting