

External Affairs Guidance

March 27, 2020

National Flood Insurance Program Grace Period Extension for COVID-19

PURPOSE

The purpose of this document is to announce the National Flood Insurance Program's (NFIP) decision to extend its 30-day grace period to 120 days for policyholders needing to renew a flood insurance policy.

Extending a grace period for paying flood insurance premiums will help to ease any financial pressures policyholders may be experiencing due to the evolving COVID-19 pandemic. During this time, there will be more than 1.2 million policyholders who will be required to pay their renewal bill for the next year. This is effective for National Flood Insurance Program policies which are due for renewal between February 13 – June 15, 2020.

KEY MESSAGES

- In response to concerns of undue financial hardships, FEMA's National Flood Insurance Program is extending the 30-day grace period to 120 days for policyholders needing to renew a flood insurance policy and to prevent policy lapses.
- If a policy has an expiration date between Feb. 13 and June 15, the National Flood Insurance Program insurer must receive the appropriate renewal premium within 120 days of the expiration date to avoid a lapse in coverage.
- Specifically, the grace period extension means that policyholders will be allowed to renew their policies up to 120 days after the expiration date without facing a lapse in coverage.
- This extension applies to all flood insurance policyholders, whether they have an insurance policy with the NFIP direct or participating Write Your Own companies.
- Flood insurance premiums must be paid in full at the start of a policy term. On average, the cost of an annual premium is more than \$1,000. During this extension, more than 1.2 million policyholders have a renewal bill for the next year which is due.

TALKING POINTS

- FEMA continues to take proactive steps to address the COVID-19 pandemic.
- To better serve its customers who may be experiencing financial hardships, FEMA's NFIP has extended the 30-day grace period to 120 days for policyholders with an annual flood insurance policy renewal.
- This extension will help ensure flood insurance policies are not canceled for nonpayment of premium due to circumstances beyond a policyholders' control.
- Flood insurance will always be the first line of defense and the best way for citizens to financially protect themselves and recover more quickly against flood losses. Currently, there are more than 5 million policyholders.
- With a Standard Flood Insurance Policy (SFIP), the term of the policy begins on its effective date (usually 30 days after the original purchase) and ends on its expiration date (usually 365 days after its effective date).
- If a policy has an expiration date between February 13, 2020 and June 15, 2020, then the NFIP insurer must receive the appropriate renewal premium within 120 days of the expiration date to avoid a lapse in coverage.
- Additionally, if a policyholder receives an underpayment notice dated between February 13 and June 15, the NFIP insurer must receive the additional premium amount requested within 120 days of the date of the notice.
- FEMA recommends that policyholders submit their renewal payment on time, if they can do so.
- No other deadlines in the program have been extended at this time, but updates will be posted on FEMA.gov as necessary.

March 28, 2020

Contact: Congressional and Intergovernmental Affairs Division

Phone: 202-646-4500

Stakeholder Advisory

FEMA Extends Grace Period for Flood Insurance Renewal Premiums

FEMA continues to take proactive steps to address the COVID-19 pandemic and to help serve its National Flood Insurance Program (NFIP) customers who may be experiencing financial hardships, the agency is extending the grace period to renew flood insurance policies from 30 to 120 days.

To avoid a lapse in coverage, there is typically a 30-day grace period to renew National Flood Insurance Program policies. However, due to the widespread economic disruption arising from this pandemic, FEMA recognizes that policyholders may not meet the standard deadline.

This extension will allow additional time for policyholders who may be struggling financially to pay insurance premiums and ensure their policies are not cancelled for nonpayment of premium due to circumstances beyond their control.

If a policy has an expiration date between February 13, 2020 and June 15, 2020, then the NFIP insurer must receive the appropriate renewal premium within 120 days of the expiration date to avoid a lapse in coverage. Likewise, if a policyholder receives an underpayment notice dated between February 13, 2020, and June 15, 2020, then the NFIP insurer must receive the additional premium amount requested within 120 days of the date of the notice.

Policyholders who need additional time to pay their premiums, beyond the 120-day extension, should contact their agent or insurer to inquire about other options the insurer may offer for premium payment.

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If you have any questions, please contact FEMA's Congressional Affairs Division at 202-646-4500. // OR

If you have any questions, please contact FEMA's Intergovernmental Affairs Division at 202-646-3444 or fema-iga@fema.dhs.gov. // OR

If you have any questions, please contact FEMA's Private Sector Division at fema-private-sector@fema.dhs.gov.

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NEWS RELEASE

FEMA Extends Grace Period for Flood Insurance Renewal Premiums

March 28, 2020

WASHINGTON – FEMA continues to take proactive steps to address the COVID-19 pandemic and to help serve its National Flood Insurance Program (NFIP) customers who may be experiencing financial hardships, the agency is extending the grace period to renew flood insurance policies from 30 to 120 days.

To avoid a lapse in coverage, there is typically a 30-day grace period to renew policies. However, due to the widespread economic disruption arising from this pandemic, FEMA recognizes that flood insurance policyholders may not meet the standard policy renewal deadline.

“FEMA understands the sense of urgency related to financial hardships and wants to be proactive,” said David Maurstad, Deputy Associate Administrator of FEMA’s Federal Insurance and Mitigation Administration, who oversees the NFIP. “We want to make sure that policyholders don’t have to worry that their policy will lapse during the spring flood season or into the start of hurricane season. We hope this extension will give policyholders some peace of mind and allow them extra time to renew their policies in order to ensure they are covered should a flood loss occur.”

For more information about renewing flood insurance policies or resolving an underpayment, policyholders can contact their insurance carriers or call the National Flood Insurance Program Call Center at 1-877-336-2627.

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FEMA Extends Grace Period for Flood Insurance Renewal Premiums. To support National Flood Insurance Program policyholders amid the COVID-19 pandemic, FEMA is extending its 30-day grace period for policy renewals up to 120 days. Extending a grace period for paying flood insurance premiums will help to ease the pressure on policyholders in this time of economic uncertainty.
