

FEMA's National Flood Insurance Program Enhances the Flood Claims Process and Extends Grace Period for Policy Renewals

Release Date: Septiembre 15, 2017

WASHINGTON—To support the ongoing disaster recovery, the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) is enhancing the flood insurance claims process, and extending the grace period for paying policy renewal premiums for insured survivors affected by Hurricane Irma.

Due to the wide-spread catastrophic damage caused by Hurricane Irma, FEMA implemented temporary changes to rush recovery money into the hands of NFIP policyholders, for repair and replacement of flood-damaged properties. FEMA also wants to ensure continuous flood insurance coverage for current NFIP policyholders affected by this storm, even if the renewed policy premium cannot be paid at this time. FEMA is directing all NFIP private insurance partners to:

- Provide advance payments on flood claims, even before visits by an adjuster;
- Increase the advance payment allowable for policyholders who provide photographs or video depicting flood damage and expenses, or a contractor's itemized estimate;
- Waive use of the initial Proof of Loss (POL) form; and
- Extend the grace period for payment of NFIP flood insurance policy renewal premiums to 120 days. This waiver applies to all NFIP policies, whether issued by the NFIP Servicing Agent or a Write Your Own Company, written for properties in areas in the U.S. Virgin Islands, Puerto Rico, and counties in Florida that have received a Major Disaster Declaration for Individual Assistance (IA) under the Stafford Act.

Advance Payments



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The NFIP is making it easier for policyholders to receive an advance payment for their flood claim to help them begin the process of recovery as quickly as possible. After filing a flood insurance claim, the policyholder can discuss advance payment with the insurer:

- When a policyholder contacts his/her insurer and verifies his/her identity, he/she can receive an advance payment for up to \$5,000 on a flood claim without an adjuster visit or additional documentation. When the advance payment is issued, a letter is sent to the policyholder which explains that by accepting this payment the policyholder is certifying the damage.
- Up to \$20,000 may be advanced to a policyholder who provides photos and/or videos depicting damage, and receipts validating out-of-pocket expenses related to flood loss or a contractor's itemized estimate. Policyholders with significant damage who have a contractor's itemized estimate may be eligible for a larger advance payment and should discuss this with the adjuster.

Advance payments are deducted from a policyholder's final claim settlement amount. Advance payments may only be used according to the terms of the policy. For example, if a policyholder has a building/structure flood insurance policy, the advance payment must be used to repair or rebuild the structure. Or if a policyholder has contents coverage, the advance payment must be used to repair or replace contents that were within the structure. Advance payments may not be used for temporary housing and living expenses.

If a policyholder's property is mortgaged, the lender will also be named on the advance payment issued for a building/structure flood insurance policy. In this case, the policyholder and lender will both be required to sign the advance payment check.

Proof of Loss Waiver

To expedite processing of NFIP claims for Hurricane Irma, the NFIP is waiving the requirement for a policyholder to submit an initial Proof of Loss (POL) document. Here's how the expedited process will work:

- After a policyholder files a claim, a time is set up for the adjuster to inspect the flood damaged property. The adjuster will document the damage and submit a report to the policyholder's insurance company.



- If additional damage is discovered or a policyholder does not agree with the payment amount, a policyholder can seek additional payment if the policy's coverage limits have not been met. A POL will be required to seek a supplemental payment on the claim. If payment is issued based upon the adjuster's initial report and an additional proof of loss is not submitted by the policyholder, the insurer will close the file.

If a policyholder decides to request an additional payment, which must be done by completing a POL, the policyholder will have one year from the date of filing the initial claim to submit the request to the insurance company. FEMA has informed all of its NFIP insurance partners about this process and how it will work. NFIP policyholders are encouraged to work closely with an adjuster on this expedited process.

Grace Period Extension for Policy Renewals

To ensure that policyholders affected by Hurricane Irma can focus on recovery and continue to have flood insurance coverage, FEMA is extending the current 30-day grace period of continual flood insurance coverage to 120 days, for policies in Florida, Puerto Rico, and the U.S. Virgin Islands, that were set for renewal during the immediate response to Hurricane Irma.

Policies with an expiration date of August 7, 2017, through October 6, 2017, are eligible for the grace period extension. Payment for those policies must be received within 120 days of the policy expiration.

The NFIP cannot pay a claim for a flood loss that occurs after a policy expiration date unless the policyholder's insurance company receives the payment in full for renewal on or before the last day of the grace period.

The grace period extension applies to NFIP policies covering properties in [Puerto Rico](#), [U.S. Virgin Islands](#), and [Florida counties](#) designated under the Presidential Disaster Declaration. NFIP policyholders are encouraged to contact their [insurance company](#) and report a flood claim as soon as possible. For any policy with a renewal date on or after October 7, 2017, the normal 30-day grace period will apply.



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