POLICY RENEWALS

I. GENERAL INFORMATION

The Standard Flood Insurance Policy (SFIP) is not a continuous policy. Each policy contract expires at 12:01 a.m. on the last day of the policy term. Renewal of an expiring policy establishes a new policy term and new contractual agreement between the policyholder and the Federal Emergency Management Agency (FEMA). The National Flood Insurance Program (NFIP) must issue a notice of expiration not less than 45 days before the expiration of the flood insurance policy by first-class mail to the owner of the property, the servicer of any loan secured by the property, and (if known) the owner of the loan.

All policies, including Submit-for-Rate, must be renewed using the rates in effect on the renewal date.

Policy renewal documentation and premium should be submitted to the NFIP in advance of the policy expiration date to ensure there is no lapse in coverage. There are 2 ways to renew a policy:

- The agent/producer should complete the **entire** Flood Insurance Application when recertifying or changing policy information, and mail it with the Total Prepaid Amount to the insurer.

  The 30-day waiting period applies when an additional amount of insurance requested at renewal time is higher than the amount listed on the renewal bill provided by the insurer. The beginning of the waiting period is determined by the standard rules. In order for the coverage amount higher than the inflation option to take effect on the renewal date, the full premium must be received at least 30 days prior to the renewal effective date.

OR

- The payor should respond to a Renewal Notice by selecting an option shown on the direct mail notice and returning it with the Total Prepaid Amount to the insurer.

II. RENEWAL NOTICE

All parties listed on the policy (insured, agent/producer, mortgagees) are mailed a Renewal Notice 45 days prior to the policy expiration date. The party designated on the policy record as the payor receives the payor's copy of the bill; all other parties receive a copy that states "THIS IS NOT A BILL."

A. Renewing for the Same Coverage – Option A

Option A of the Renewal Notice shows current amounts of insurance and deductibles at the time the Renewal Notice is printed.

B. Inflation Factor – Option B

Option B shows premium for amounts of insurance increased by an inflation factor of 10 percent for building coverage and 5 percent for contents coverage. The current deductible is used. For Preferred Risk Policies (PRPs), Option B is the next-higher coverage package available. There is no waiting period if Option B is chosen. The inflation option will be no higher than the replacement cost on record for that policy. If coverage higher than the current replacement cost on record is desired, updated replacement cost documentation must be submitted.

C. Nonrenewal and Cancellation

Renewal Notices will not be generated and policies will not be renewed for the following situations:

- Building under construction;
- Tentatively rated policy;
- Suspended community;
- Provisional rating;
- Group Flood Insurance Policy;
- PRP ineligibility;
- Section 1316 property.

However, in each of the situations above, any mortgagee named on the policy must be notified of the nonrenewal or cancellation, as required by the Mortgage Clause of the SFIP (see the Policy section, General Conditions, Q. Mortgage Clause in all policy forms). Within 5 days of the policy expiration date, an appropriately worded expiration notice must be sent to the mortgagee, with copies to the agent/producer and the insured.

III. PREMIUM PAYMENT DUE

To ensure that the policy is renewed without a lapse in coverage, the premium must be received by the insurer within 30 days after the expiration date. As an alternative, the premium can be mailed by certified mail within 30 days after the expiration date. The term "certified mail" has been broadened to include not only the U.S. Postal Service, but also certain third-party delivery services. For details, see the Receipt Date subsection in the General Rules section. Use the renewal date plus 29 days to determine if the renewal premium was received within 30 days.

Renewal payments may also be paid by VISA, MasterCard, Discover, or American Express. Use the detachable payment stub at the bottom of the Renewal Notice and Final Notice, or use the Credit Card Payment Form at the end of this section. The form is also available in the Forms Library on the NFIP Servicing Agent's website at http://www.nfipservice.com. If a charge is declined, you will be notified by mail.

Electronic transactions are permitted if the business process includes authentication of signatures and dates of receipt of premium. WYO Companies are responsible for determining the business practices and transaction authentication methods they will use to ensure the security and integrity of such transactions.

IV. FINAL NOTICE

If the premium payment is not received by the insurer by the date of expiration, a Final Notice is produced. This notice is mailed to the agent/producer, insured, and mortgagee. The expired policy will be reissued with a new effective date if the premium payment is not received by the insurer within 30 days following the policy expiration date.

Mortgagee protection under the policy shall continue in force after the expiration of the policy for 30 days from the mailing date.

V. RENEWAL EFFECTIVE DATE DETERMINATION

Renewal dates are calculated as follows:

- If the Final Notice and the premium payment are received by the insurer within 30 days following the expiration, the policy will be issued under the same policy number as the previous term, with no lapse in coverage. For example, if the policy expires on May 1, the Final Notice and premium payment must be received on or before May 30.
- If the Final Notice and the premium payment are received by the insurer after the 30-day period, but within 90 days following the expiration, the policy will be placed in force 30 days following receipt by the insurer.
- If the Final Notice and the premium payment are received after 90 days following the expiration date, the agent/producer must submit a new application with the full annual premium. The standard 30-day waiting period will apply.

VI. INSUFFICIENT RENEWAL INFORMATION

To generate Renewal Notices and Final Notices, the insurer must have received acceptable application data. A Renewal Notice will not be generated in cases where a policy application has not been corrected prior to the start of a renewal cycle. Therefore, it is important that agents/producers respond immediately to requests for additional information.

VII. ENDORSEMENTS DURING RENEWAL CYCLE

Endorsements received at the insurer within 75 days of the policy expiration date may not be reflected on the renewal bill. The agent/producer should therefore ensure that the new policy is properly endorsed after renewal.

The agent/producer should use a renewal application to ensure that all changes are reflected on the renewal.

VIII. SEVERE REPETITIVE LOSS PROPERTIES

All policy transactions for Severe Repetitive Loss (SRL) properties must be processed by the NFIP Special Direct Facility. See the SRL section of this manual for information.

IX. TRANSFER OF BUSINESS AT RENEWAL

The new insurer must collect all required underwriting information needed to verify the correct rating and issuance of the policy. However, a declarations page usually does not provide all the required underwriting information.

The new insurer may use the elevation information on the declarations page issued by the previous insurer only when the Lowest Floor Elevation (LFE) and BFE are provided. The elevation information on the previous declarations page must be validated when there is a discrepancy in the building description (e.g., the Application shows a basement or an enclosure and the declarations page does not, or the Application describes a non-elevated building and the declarations page describes an elevated building).

A PRP requires documentation of eligibility including verification of the flood zone.

A Residential Condominium Building Association Policy (RCBAP) requires all information needed to issue and rate the policy, including photos and Replacement Cost Value (RCV) documentation.

When an agent/producer moves his or her book of business from 1 insurer to another, or when an insurer acquires another's book of business, photographs are not required. However, when transferring an individual policy, the photograph requirement applies.

SUMMARY OF POLICY NOTICES

NOTICES	INSURED	AGENT	MORTGAGEE
RENEWAL NOTICE Shown on pages REN 4–5	NFIP mails notice for payment 45 days prior to renewal date.	NFIP mails notice for payment 45 days prior to renewal date.	NFIP mails notice for payment 45 days prior to renewal date.
FINAL NOTICE Shown on pages REN 6–7	NFIP mails notice on policy expiration date.	NFIP mails notice on policy expiration date.	NFIP mails a 30-day notice of nonrenewal on expiration date. Mortgagee protection terminates 30 days after mailing of notice.
POLICY DECLARATIONS PAGE Not shown	NFIP mails policy declarations page.	NFIP mails policy declarations page.	NFIP mails policy declarations page.

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2965
Shawnee Mission, KS 66201-1365
(800) 638-6620

Policy Number:
Policy Expiration Date:
Billing Date:

Payor:

Agent:

Insured Property Location:

RENEWAL NOTICE: Your flood insurance is about to expire on the date shown above. Please follow renewal instructions on the remittance coupon below.

Special Instructions:

Coverage Options	Coverages		Deductibles		Premium
	Building	Contents	Building	Contents	
A: CURRENT COVERAGE					
B: INCREASED COVERAGE					

See reverse side of bill for important additional information.

This Is Not A Bill - Homeoffice Copy
RETAIN FOR YOUR RECORDS

(**Please detach here and send this portion with your payment.**) DIRECT

Policy No.:	Bill ID:	Loan No.:	Amount Paid

Choose from one of the following payment options: ☐ **Option A:** ☐ **Option B:**

For credit card payment check card type and provide account information below:

☐MasterCard ☐AMEX ☐Discover ☐VISA Card#: | | | | | | | | | | | | | | | | Exp. Date: ___/___

Cardholder Signature: X_____

To remit by check make check payable to:

National Flood Insurance Program
PO Box 70936
Charlotte, NC 28272-0936

To renew your policy by check or money order, be sure to return this portion to the address above. Make payment for the exact amount of the coverage option you selected. Write your policy number on your check or money order.

IMPORTANT MESSAGES

1. PROVIDED YOUR PAYMENT IS RECEIVED WITHIN 30 DAYS OF THE EXPIRATION OF YOUR POLICY, IT WILL BE RENEWED WITHOUT A LAPSE IN COVERAGE. ANY PAYMENT RECEIVED AFTER THE 30 DAY GRACE PERIOD AND PRIOR TO 90 DAYS WILL STILL RENEW YOUR POLICY, HOWEVER, THERE WILL BE A 30 DAY WAITING PERIOD FOR COVERAGE TO BECOME EFFECTIVE. THE 30 DAY WAITING PERIOD BEGINS THE DAY THE PREMIUM IS RECEIVED.
2. YOU ARE ENCOURAGED TO INSURE YOUR PROPERTY FOR AT LEAST 80% OF THE STRUCTURES REPLACEMENT COST TO ENSURE ADEQUATE COVERAGE IN THE EVENT OF A LOSS. CONTACT YOUR INSURANCE AGENT FOR DETAILS.
3. IF THE MORTGAGEE LISTED ON THE BILL IS NOT THE CURRENT MORTGAGEE, PLEASE FORWARD THE BILL TO THE NEW FINANCIAL INSTITUTION (IF THEY ARE RESPONSIBLE FOR PREMIUM PAYMENT) AND HAVE A CHANGE ENDORSEMENT SENT TO CORRECT THE POLICY.
4. IF THIS POLICY IS A PREFERRED RISK POLICY (PRP), PLEASE NOTE. IF THE FLOOD ZONE LISTED ON YOUR POLICY IS NOT THE ZONE ON THE CURRENT FLOOD INSURANCE RATE MAP, YOU MAY NO LONGER BE ELIGIBLE FOR THE PRP. PLEASE CONTACT YOUR INSURANCE REPRESENTATIVE TO VERIFY IF YOU ARE STILL ELIGIBLE FOR THIS POLICY OR TO OBTAIN A QUOTE FOR A STANDARD POLICY.
5. **EFFECTIVE OCTOBER 1, 2009, THE NATIONAL FLOOD INSURANCE PROGRAM HAS DISCONTINUED THE $500 MINIMUM STANDARD DEDUCTIBLE FOR ALL PROPERTIES.** IF YOUR POLICY PREVIOUSLY INCLUDED A $500 MINIMUM STANDARD DEDUCTIBLE (PRE-/POST-FIRM ZONES B, C, X, A99 & D AND POST-FIRM SFHA ZONES) THAT DEDUCTIBLE HAS BEEN CHANGED TO $1000. IF YOUR POLICY PREVIOUSLY INCLUDED A $1000 MINIMUM STANDARD DEDUCTIBLE (EMERGENCY PROGRAM AND PRE-FIRM SFHA ZONES) THAT DEDUCTIBLE HAS BEEN CHANGED TO $2000. IF DESIRED, YOU MAY BUY BACK TO THE $1000 DEDUCTIBLE FOR AN ADDITIONAL PREMIUM. FOR ADDITIONAL INFORMATION REGARDING THIS CHANGE OR TO OBTAIN A PREMIUM QUOTE FOR THE DEDUCTIBLE BUY BACK, PLEASE CONTACT YOUR INSURANCE REPRESENTATIVE.

This policy is not subject to cancellation for reasons other than those set forth in the National Flood Insurance Program rules and regulations. In matters involving billing disputes, cancellation is not available other than for billing processing error or fraud.

If you send us a check, it will be converted into an electronic funds transfer (EFT). This means we will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours, and will be shown on your regular account statement. You will not receive your original check back. We will destroy your original check, but we will keep the copy of it. If the EFT cannot be processed for technical reasons, you authorize us to process the copy in place of your original check. If the EFT cannot be completed because of insufficient funds, we may try to make the transfer up to 2 times.

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2965
Shawnee Mission, KS 66201-1365
(800) 638-6620

Policy Number:
Policy Expiration Date:
Billing Date:

Payor:

Agent:

Insured Property Location:

FINAL NOTICE: Your flood insurance policy expired on the date shown above. Please disregard this notice if your payment has already been mailed.

Special Instructions:

Coverage Options	Coverages		Deductibles		Premium
	Building	Contents	Building	Contents	
A: CURRENT COVERAGE					
B: INCREASED COVERAGE					

See reverse side of bill for important additional information.

This Is Not A Bill - Homeoffice Copy
RETAIN FOR YOUR RECORDS

(**Please detach here and send this portion with your payment.**) DIRECT

Policy No.:	Bill ID:	Loan No.:	Amount Paid

Choose from one of the following payment options: ☐ **Option A:** ☐ **Option B:**

For credit card payment check card type and provide account information below:

☐MasterCard ☐AMEX ☐Discover ☐VISA Card#: | | | | | | | | | | | | | | | | Exp. Date: ___/___

Cardholder Signature: X_____

To remit by check make check payable to:

National Flood Insurance Program
PO Box 70936
Charlotte, NC 28272-0936

Due Date:
Billing Date:

To renew your policy by check or money order, be sure to return this portion to the address above. Make payment for the exact amount of the coverage option you selected. Write your policy number on your check or money order.

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CREDIT CARD PAYMENT FORM

The National Flood Insurance Program accepts flood insurance premium payments on VISA, MasterCard, American Express, and Discover credit cards.

If you wish to pay for your policy by credit card, fill out the bottom portion of this page, then detach and return it with your Flood Insurance Application, Renewal Notice or Final Notice, or General Change Endorsement Form.

If your charge is not accepted, you will be notified by mail.

Flood Insurance Policy Number: _____

VISA ☐ MasterCard ☐ American Express ☐ Exp. Date: _____/_____

Discover ☐

Account No.: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Cardholder's Name:_____ Amount of Charge $_____

Billing Address:_____

City, State & ZIP Code:_____

Signature:_____ Date: _____/_____/_____

This policy is not subject to cancellation for reasons other than those set forth in the National Flood Insurance Program rules and regulations. In matters involving billing disputes, cancellation is not available other than for billing processing errors or fraud.