

Sample Letter/Language

Sample letter/language that may be used by the WYOs to help communicate the impacts of the expiration in authority to a prospective policyholder.

Dear prospective policyholder:

We have received your application and premium/renewal premium for a flood insurance policy issued under the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Agency (FEMA). At this time, we are unable to issue a new policy or renewal policy because the NFIP's authority from Congress to enter into new flood insurance contracts expired at midnight on [insert expiration date].

Until Congress reauthorizes the NFIP and we are again able to issue policies, the following options are available.

1. We can hold your application and premium/renewal premium pending reauthorization. If Congress reauthorizes the NFIP, we will issue your policy with the earliest effective date consistent with the rules and regulations of the NFIP and the provisions of the reauthorization.

To choose this option, no action on your part is necessary. We will hold your application and premium/renewal premium pending reauthorization. If Congress does not reauthorize the NFIP, we will return your premium.

If you incur a flood loss prior to the reauthorization, we can proceed with investigating your claim up to the point of payment. We reserve the right not to pay the claim if Congress does not reauthorize the NFIP, or if Congress reauthorizes the NFIP only prospectively, and not retroactively.

If Congress retroactively reauthorizes the NFIP, then policies may be issued with effective dates as early as [insert day after expiration date]. If Congress does not retroactively reauthorize the NFIP, the earliest effective date for policies will be the date the NFIP is reauthorized.

2. If you want us to return your premium, advise us accordingly. You may send your request to [company contact person] at [company address] or via e-mail to [company e-mail]. However, if you ask for return of your premium, we will be unable to provide coverage retroactively, and any loss suffered may not be covered. In addition, if you decide to secure NFIP coverage in the future, we will apply the appropriate waiting period and other requirements based on the future date that we receive your application and premium/renewal premium. An alternative is to seek flood insurance coverage outside of the NFIP.

The NFIP has experienced an expiration in authority before. In most of these cases, Congress reauthorized the Program retroactively. However, until Congress acts, we are unable to provide coverage, and we want to fully inform you of your options during this period.

If you need more information, please contact your flood insurance agent. Thank you for your patience and understanding.