

III. Effective Dates for New Policies and Endorsements

In general, new flood insurance policies and endorsements adding or increasing coverage become effective following a 30-day waiting period. However, there are three exceptions listed below and detailed later in this section:

1. **Map Revision Exception:** Coverage becomes effective after a 1-day waiting period during the first 13 months following a flood map revision newly identifying a building as located within an SFHA when it was previously identified as outside of an SFHA.⁹
2. **Loan Exception:** If the initial purchase of new, additional, or increased flood insurance coverage is in connection with making, increasing, extending, or renewing a loan secured by the insured property (for example, a mortgage loan) – and if the NFIP receives the Application Form or endorsement request and full amount due within specified timeframes as noted in Table 10 – then no waiting period applies and coverage becomes effective as of the time of the loan closing.¹⁰
3. **Post-Wildfire Exception:** Coverage becomes effective after a 1-day waiting period¹¹ if:
 - a. The insured property is privately-owned (property not owned by a federal, state, local, territorial, or tribal government) and experiences damage caused by a flood that originated on federal land;
 - b. Post-wildfire conditions on federal lands caused or worsened the flooding; *and*
 - c. The policyholder purchased the new, additional, or increased coverage either:
 - i. On or before the fire containment date; *or*
 - ii. During the 60-calendar day period following the fire containment date.

Insurers must follow the applicable waiting period and effective date rules for all policies, including policies issued in conjunction with a community's initial entry into the Regular Program or conversion from the Emergency Program to the Regular Program.

A. Standard 30-day Waiting Period

1. General Information

A 30-day waiting period applies to new policies and endorsements to add or increase coverage that are not otherwise eligible for the exceptions provided above. The date the waiting period begins varies based on:

- The date of the Application Form (or endorsement request);
- The method of sending the Application Form (or endorsement request) and payment; *and*
- The date the insurer receives the Application Form (or endorsement request) and full amount due (including applicable premiums, surcharges, and fees).

For the purposes of determining a waiting period start date, “certified mail” includes certified mail sent through the U.S. Postal Service or a reputable third-party delivery service that provides proof of the actual mailing date and delivery date to the insurer.

Table 8 shows how to determine the effective date of a new policy or endorsement adding or increasing coverage that is subject to the 30-day waiting period.

9. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(a)

10. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(b)

11. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(c)

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Table 8. Effective Date with a 30-day Waiting Period

RECEIPT DATE	EFFECTIVE DATE	EXAMPLE
If the insurer receives the Application Form (or endorsement request) and full amount due <i>within 10</i> calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the application date.	If the application date is May 13 and the insurer receives the Application Form (or endorsement request) and full amount due on May 17, then the earliest effective date is June 12.
If the Application Form (or endorsement request) and full amount due are mailed by certified mail <i>within 4</i> calendar days from the application date (application date plus 3 days), regardless of when the insurer receives them	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the application date.	If the application date is May 13, the Application Form (or endorsement request) and full amount due are mailed by certified mail on May 15, and the insurer receives the Application Form and full amount due on May 26, then the earliest effective date is June 12.
If the insurer receives the Application Form (or endorsement request) and full amount due <i>after 10</i> calendar days from the application date (application date plus 9 days) and the Application Form (or endorsement request) and full amount due were NOT mailed by certified mail <i>within 4</i> calendar days from the application date (application date plus 3 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the insurer's receipt date.	If the application date (or endorsement request) is May 13, the insurer receives the Application Form (or endorsement request) and full amount due on May 25, then the earliest effective date is June 24.

2. Insufficient Payment

If a policyholder pays less than the full amount due to purchase the amount of coverage requested, see the [Reformation Due to Insufficient Premium or Rating Information](#) heading in this section for the applicable procedures and effective date rules.

3. Invalid Payment

The insurer may not use the receipt date of an invalid payment to determine the effective date of a policy transaction. A payment is invalid if it cannot be negotiated because there are non-sufficient funds (NSF) in the account, a reversal (dispute) is successfully completed on an electronic payment, or the payment is non-negotiable for any other reason. Upon notification that the payment is invalid, the insurer must:

- Cancel or nullify the transaction associated with that payment; *and*
- Send notification of the cancellation or nullification to the policyholder, agent, and lender(s), if applicable.

If the insurer receives a valid payment, the insurer must process the transaction based on the valid premium receipt date. The insurer must determine the effective date of the transaction based on the valid payment receipt date, subject to the effective date rules.

Note: A new Application Form or endorsement request is not required for this transaction as long as the insurer still has the original request; however, a new quote needs to be requested from the FEMA rating engine.

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B. Map Revision Exception (1-Day Waiting Period)

A 1-day waiting period applies when the NFIP revises an FHBM or a FIRM to show that the building is now in an SFHA when it was not previously. The 1-day waiting period only applies if the insurer receives the Application Form (or endorsement request) and full amount due within 13 months from the effective date of the map revision. If the insurer receives the Application Form (or endorsement request) and full amount due after 13 months from the effective date of the map revision, the 30-day waiting period applies.¹² The 1-day waiting period rule applies for all buildings, including those owned by condominium associations.

Table 9 shows how to determine the effective date of a new policy or endorsement adding or increasing coverage that is eligible for the map revision exception.

Table 9. Effective Date When Eligible for the Map Revision Exception

RECEIPT DATE	EFFECTIVE DATE	EXAMPLE
If the insurer receives the Application Form (or endorsement request) and full amount due <i>within 10</i> calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the application date.	If the FIRM was revised on January 5, the application date is May 13, the insurer receives the Application Form (or endorsement request) and full amount due on May 17, then the earliest effective date is May 14.
If the Application Form (or endorsement request) and full amount due are mailed by certified mail <i>within 4</i> calendar days from the application date (application date plus 3 days), regardless of when the insurer receives them	The effective date will be 12:01 a.m. (local time) on the next calendar day after the application date.	If the FIRM was revised on January 5, the application date is May 13, the Application Form (or endorsement request) and full amount due mailed by certified mail on May 15, and the insurer receives the Application Form (or endorsement request) and full amount due on May 26, then the earliest effective date is May 14.
If the insurer receives the Application Form (or endorsement request) and full amount due <i>after 10</i> calendar days from the application date (application date plus 9 days) and the Application Form (or endorsement request) and full amount due were NOT mailed by certified mail <i>within 4</i> calendar days from the application date (application date plus 3 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the insurer's receipt date.	If the FIRM was revised on January 5, the application date is May 13, the Insurer receives the Application Form (or endorsement request) and full amount due on May 28, then the earliest effective date is May 29.

C. Loan Exception (No Waiting Period)

New, additional, or increased flood insurance coverage purchased in connection with making, extending, increasing, or renewing a loan secured by the insured property (for example, a mortgage loan) is not subject to the 30-day waiting period if the NFIP receives the Application Form (or endorsement request) and full amount due within specified timeframes. If a policy or endorsement is eligible for this exception, then the coverage becomes effective as of the time of the loan closing.¹³ Condominium association policies or endorsements purchased

12. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(a)

13. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(b)

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in conjunction with loan transactions in the name of the condominium association can be eligible for this exception. Contents-only policies and endorsements can only be eligible for the loan exception if the contents are part of the security for a loan.

The policyholder must apply for flood insurance (or request an endorsement to add or increase coverage) on or before the closing date of the loan transaction. If the policyholder requests the coverage after the closing date, the 30-day waiting period applies. A valid Application Form (or endorsement request) includes all the information necessary to calculate the NFIP policy premium.

In determining eligibility for the loan exception, the insurer may rely on an agent's representation on the Application Form (or endorsement request) that the purchase is in connection with making, extending, increasing, or renewing a loan secured by the insured property but must confirm timely receipt of the Application Form (or endorsement request) and full amount due. If a loss occurs during the first 30 days of the policy or additional or increased coverage, the insurer must obtain documentation of the loan transaction (such as settlement papers) to validate that a loan transaction occurred before paying the loss.

Table 10 shows how to determine the effective date of a new policy or endorsement to add or increase coverage that may be eligible for the loan exception. If the effective date is the date and time of the loan closing, the declarations page should state the effective date and specify that the coverage is effective "at the time of loan closing" (versus 12:01 a.m.). The insurer only needs to obtain documentation of the specific time of the loan closing if a loss occurred on the loan closing date, to determine whether the loss occurred after the new, additional, or increased coverage began (see additional guidance in the *NFIP Claims Manual*).

Table 10. Effective Date When Potentially Eligible for the Loan Exception

RECEIPT DATE	EFFECTIVE DATE	EXAMPLE
If the lender, title company, or settlement attorney pays the premium		
If the policyholder requests the policy (or additional or increased coverage) on or before the loan transaction closing and the insurer receives the Application Form (or endorsement request) and full amount due <i>within 30 calendar days from the closing (closing date plus 29 days)</i>	The effective date will be the date and time of the loan closing.	If the loan transaction date is on April 3 and the application date is April 3; and the insurer receives the Application Form (or endorsement request) and full amount due, paid by the lender, title company, or settlement attorney on April 20; then the policy effective date is April 3 at the time of loan closing.
If the policyholder requests the policy (or additional or increased coverage) on or before the loan transaction closing, and the insurer receives the Application Form (or endorsement request) and full amount due <i>after 30 calendar days from the closing (closing date plus 29 days or more)</i>	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the insurer's receipt date.	If the loan transaction date is on April 3 and the application date is April 3; and the insurer receives the Application Form (or endorsement request) and full amount due, paid by the lender, title company, or settlement attorney on May 10; then the earliest policy effective date is June 9.

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Table 10. Effective Date When Potentially Eligible for the Loan Exception *continued*

RECEIPT DATE	EFFECTIVE DATE	EXAMPLE
If the policyholder or another party not listed above pays the premium		
If the policyholder requests the policy (or additional or increased coverage) on or before the loan transaction closing, and the insurer receives the Application Form (or endorsement request) and full amount due <i>within 10</i> calendar days from the loan transaction closing (closing date plus 9 days)	The effective date will be the date and time of the loan closing.	If the loan transaction date is on April 3, the application date is April 3, and the insurer receives the Application Form (or endorsement request) and full amount due paid by the policyholder on April 7, then the policy effective date is April 3 at the time of loan closing.
If the policyholder requests the policy (or additional or increased coverage) on or before the loan transaction closing, and the insurer receives the Application Form (or endorsement request) and full amount due <i>after 10</i> calendar days from the closing (closing date plus 9 days or more)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the insurer's receipt date.	If the loan transaction date is on April 3, the application date is April 3, and the insurer receives the Application Form (or endorsement request) and full amount due paid by the policyholder on April 15, then the earliest policy effective date is May 15.

Note: When an agent submits an agency check, it must be accompanied by settlement paperwork or a photocopy of the original check from the lender, title company, or settlement attorney to be eligible for the waiting period exception.

D. Post-Wildfire Exception (1-Day Waiting Period)

The 30-day waiting period may not apply to new policies (or endorsements to add or increase coverage) for privately-owned property (building or contents) affected by flooding from federal land caused by post-wildfire conditions. Coverage becomes effective at 12:01 a.m. (local time) on the first calendar day after the Application Form (or endorsement request) date:¹⁴

1. The insured property is privately-owned (property not owned by a federal, state, local, territorial, or tribal government) and experiences damage caused by a flood that originated on federal land;
2. Post-wildfire conditions on federal lands caused or worsened the flooding; *and*
3. The policyholder purchased the new, additional, or increased coverage either:
 - a. On or before the fire containment date; *or*
 - b. During the 60-calendar-day period following the fire containment date.

Given the eligibility criteria for this post-wildfire exception, the policyholder had to already have NFIP coverage in place at least one day before the triggering flood loss occurred. Therefore, this exception is relevant when a new policy (or additional or increased coverage) is within the standard 30-day waiting period and experiences a loss qualifying it for the post-wildfire exception and resulting 1-day waiting period. The insurer cannot endorse the policy to change its effective date, so must cancel and rewrite the policy.

For the purposes of the post-wildfire exception, the federal agency responsible for the land on which the post-wildfire conditions existed determines the fire containment date. FEMA supports the application of the post-wildfire exception by tracking containment dates for wildfires occurring on federal lands and consulting, when necessary, with appropriate

14. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(c)

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federal agencies to determine whether post-wildfire conditions caused or worsened a flood. NFIP insurers may request assistance with the proper application of the post-wildfire exception by contacting FEMA-FIDClaimsMailbox@fema.dhs.gov.

IV. Administrative Topics

A. Electronic Signatures

NFIP insurers must sell and service NFIP policies in a customer-centric manner as part of their normal business practices. To improve the policyholder's experience and to reduce administrative burden, FEMA approves and encourages the use of electronic signatures on NFIP transactions. FEMA will not deny the legal effect, validity, or enforceability of a signature solely because it is in electronic form. Insurers should accept electronic signatures in accordance with their general business practices and applicable laws. Electronic signatures must comply with the following requirements.

- The signer must use an acceptable electronic form of signature;
- The electronic form of signature must be executed or adopted by a person with the intent to sign the electronic document;
- The electronic form of signature must be attached to or associated with the electronic document being signed;
- There must be a means to identify and authenticate a particular person as the signer; *and*
- There must be a means to preserve the integrity of the signed document.¹⁵

B. Delivery of the Policy

The insurer must send:

- The policy form (contract) to the policyholder at the time of policy issuance or after any change made to the policy contract; *and*
- The policy declarations page to the policyholder, agent, and, if applicable, lender(s); *and*
- The NFIP Summary of Coverage; *and*
- A cover letter to reference these enclosures.

See [Appendix A: Policy](#) for copies of the SFIP policy forms. See [Appendix I: Policyholder Communications](#) for declarations page samples and requirements.

Note: The insurer may send these documents via postal or electronic delivery in accordance with their usual business practice. FEMA recommends that the insurers use an opt-in approach to electronic communication with policyholders.

C. Evidence of Insurance

A copy of the Application Form and premium paid receipt or a copy of the declarations page is sufficient evidence of proof of purchase for new policies.

V. Assignment and Transfer of Business

A. Assignment of a Policy to a New Building Owner

The owner of an insured building may provide written consent to assign a flood insurance policy with building coverage to the purchaser of the building. Owners may not assign contents-only policies or policies on buildings under construction. The seller must sign

15. Nothing stated herein removes or waives the explicit requirements found at Pt. 61 App. A(1–3) VII General Conditions G. 4, Requirements in Case of Loss. Any Proof of Loss must be signed and sworn to by the policyholder.