Mitigation Reduces Future Flood Damage

Is your building insured through the National Flood Insurance Program (NFIP) with a Standard Flood Insurance Policy (SFIP)? If so, you may be eligible for up to $30,000 in Increased Cost of Compliance (ICC) coverage. ICC will help cover the costs of meeting the community's rebuilding requirements that will protect your home from future flood damages.

ICC coverage can help to pay the cost of one or any combination of these four mitigation activities.

Elevate above the flood level required by your community

Relocate to a new site, preferably out of the floodplain

Demolish the building

Dry floodproof the building (primarily non-residential)

Your insurance carrier and community building department can help you to determine your ICC eligibility and the documentation you will need.

ICC Helps Reduce Future Flood Damage

Flooding badly damaged John Smith's $200,000 home. After John **reported his flood loss to his insurance carrier**, an assigned adjuster inspected the property and said he may be eligible to receive ICC and should talk to his community building department.

John contacted the **community building department** and **after an inspection of the home, it was declared substantially damaged**. John and the building department jointly decided elevating his home was the best way to meet the local floodplain rebuilding requirements and reduce future flood damage.

John provided the substantial damage letter he received from his community building department to the insurance carrier. After **the insurance carrier verified that the flood damages equaled at least 50 percent of the pre-flood market value, John qualified to receive ICC**. After submitting a signed contract for the work, a building permit from the building department, and a signed ICC Proof of Loss form, **John was ready to elevate his home***.

*Check with your insurance carrier to determine if you are able to receive a partial payment to help with the initial mitigation activity costs.

For more information about the NFIP, flood insurance, and ICC, contact your insurance carrier or visit www.FloodSmart.gov.

National Flood Insurance Program

Increased Cost of Compliance Coverage

Reduces Future Flood Damages

FEMA

F-663

What is Increased Cost of Compliance (ICC)?

ICC coverage is included under the National Flood Insurance Program (NFIP) Standard Flood Insurance Policy (SFIP). ICC helps policyholders with the costs incurred if they are required by the community building department to meet rebuilding standards after a flood.

ICC coverage provides up to $30,000 to help pay for relocating, elevating, demolishing, and floodproofing (non-residential buildings), or any combination of these mitigation activities.

The ICC portion of the claim is handled separately from the building and/or contents portion of the claim. However, the combination of payments cannot exceed the maximum coverage limits available through the NFIP. For example, a policyholder cannot receive more than $250,000 in claim payments for a residential building.

Are You Eligible to File a Claim for ICC?

Yes, if:

1) You have an NFIP flood insurance policy; and
2) Your community building department determines your home is substantially or repetitively damaged by flooding; and
3) The flood damage to your home is equal to 50 percent of the pre-flood market value.

"Substantially damaged" means damages of **any** origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damages occurred.

"Repetitively damaged" means the building must have flood damage on at least two occasions during a 10-year period; the cost of which to repair the flood damage, on average, equaled or exceeded 25 percent of the market value of the building on each occasion.

Starting the ICC Claims Process after a Flood

1. If your community building department determines your structure is substantially or repetitively damaged, discuss what mitigation activities will be required to rebuild in the floodplain and if any grants may be available.

2. Promptly contact your insurance carrier to file a claim for ICC and document the loss (photographs, etc.) Do not begin minor repair work before filing an ICC claim.

3. Submit to your insurance carrier the letter from your community building department declaring the building substantially or repetitively damaged, a signed contract for the mitigation activity, and the building permit that documents rebuilding requirements in the floodplain.

4. The insurance carrier will verify that the flood damage to your building equals at least 50 percent of the pre-flood market value, which is required to start the ICC claim.

Where to Get More Information

For more information about the ICC claim process, visit www.FEMA.gov/Increased-Cost-Compliance-Coverage, contact your insurance carrier, or your State NFIP Coordinator (http://www.floods.org/).

Things to Remember about ICC

- After it has been determined which mitigation activity you will be taking, contact your insurance carrier to file a claim for ICC. An adjuster will be assigned to you.

- Your adjuster will ask you to submit your substantial damage letter and building permit from the community building department, a copy of a signed contractor bid for the work, and a signed ICC Proof of Loss form, which the adjuster may provide to you as a courtesy.

- Before you begin the work, check with your insurance carrier to see if you are able to receive a partial payment to help cover some of the initial construction costs.

- After the work is completed, your community building department will provide written evidence the work meets the floodplain management regulations. Submit this to your insurance carrier to receive a full or remaining partial ICC payment.

- If necessary, your community building department may also be able to use ICC to supplement Federal or state grant funding for your elevation, demolition, relocation, or floodproofing (non-residential buildings).