

FLOOD INSURANCE CAN HELP FUND FLOODPLAIN REGULATION COMPLIANCE

If your home or business was damaged by the flood, you may be required to meet certain building requirements in your community to reduce future flood damage before you repair or rebuild. To help you cover the costs of meeting those requirements, Increased Cost of Compliance (ICC) coverage may be available.

How Much Coverage is Available

Flood insurance policyholders in high-risk areas, also known as special flood hazard areas (100-year floodplain), can get up to \$30,000 to help pay the costs to bring their home or business into compliance with their community's floodplain ordinance.

Four Options Covered

There are four options you can take to comply with your community's floodplain management ordinance and help you reduce future flood damage. You may decide which of these options is best for you.

1. **Elevation.** This raises your home or business to or above the flood elevation level adopted by your community.
2. **Relocation.** This moves your home or business out of harm's way.
3. **Demolition.** This tears down and removes flood-damaged buildings.
4. **Floodproofing.** This option is available primarily for non-residential buildings. It involves making a building watertight through a combination of adjustments or additions of features to the building that reduces the potential for flood damage.

When to File an ICC Claim

You may file a claim for your Increased Cost of Compliance coverage if your community determines that your home or business is damaged by flood to the point that repairs will cost 50 percent or more of the building's pre-damage market value. This is called substantial damage.

How to File an ICC Claim

Your ICC claim is adjusted separately from the flood damage claim you file under your Standard Flood Insurance Policy. You can only file an ICC claim if your community determines that your home or business has been substantially damaged or repetitively damaged by a flood. This determination is made when you apply for a building permit to begin repairing your home or business.

If your community does determine that your home or business is substantially or repetitively damaged, a local official will explain the floodplain management ordinance provisions that you will have to meet. You may also want to consult with the local official before you make the final decision about which of the options to pursue.

Once your community has made this determination, contact the insurance company or agent who wrote your flood policy to file an ICC claim. Your insurer will assign a claims representative who will help you process your ICC claim. You should start getting estimates from contractors to take the necessary steps to elevate, relocate, floodproof, or demolish.

How Your ICC Claim Payment is Handled

You may be able to receive a partial payment once the claims representative has a copy of the signed contract for the work, a permit from the community to do the work, and a return of your signed ICC Proof of Loss. If the work is not completed, you must return any partial payment to your insurer.

When the work is completed, local officials will inspect and issue a certificate of occupancy or a confirmation letter. Once you submit this document to your claims representative, your insurer will pay the final installment or full payment.

ICC claims will only be paid on flood-damaged homes and businesses, and can only be used to pay for costs of meeting the floodplain management ordinance in your community.

For more information on ICC coverage, call your insurance company or agent, or call the NFIP toll-free at 1-800-427-4661.

NOTE: If you have any problems dealing with your flood insurer, please call 1-800-427-4661.