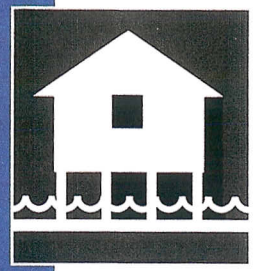
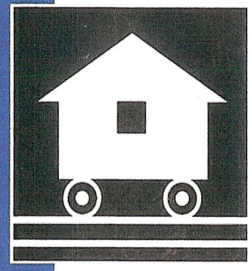
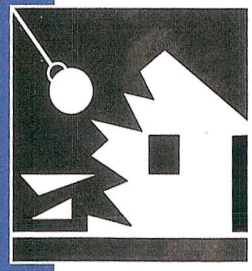
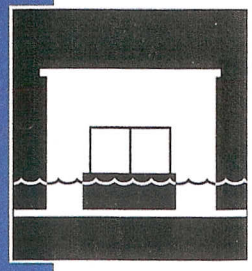
If your home or business is damaged by a flood, you may be required to meet certain building requirements in your community to reduce future flood damage before you repair or rebuild.

To help you cover the costs of meeting those requirements, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance (ICC) coverage for all new and renewed Standard Flood Insurance Policies.









For more information about the NFIP and flood insurance, call 1-800-427-4661, or contact your insurance company or agent.

For an agent referral, call 1-888-435-6637 TDD 1-800-427-5593

Also, visit FEMA's Web site at http://www.fema.gov/business/nfip http://www.floodsmart.gov for valuable guidance to help you reduce losses from floods, fires, and other disasters.

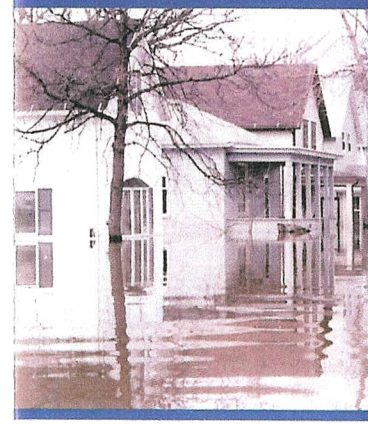
F-300 (06/07)

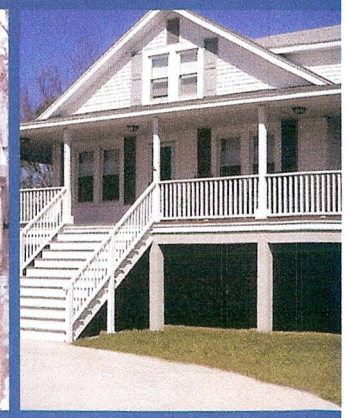
National Flood Insurance Program

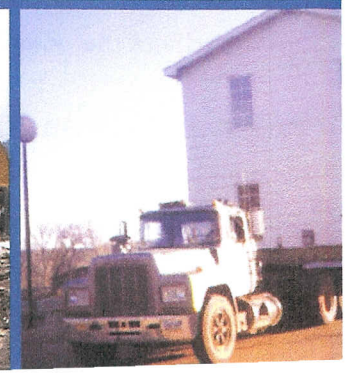
Increased Cost of Compliance Coverage

How You Can Benefit

FEMA







How Much Coverage Is Available

Flood insurance policyholders in high-risk areas, also known as Special Flood Hazard Areas, can get up to $30,000 of ICC coverage 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 reduce your 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 nonresidential 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 in two instances:

1. 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.
2. If your community has a repetitive loss provision in its floodplain management ordinance and determines that your home or business was damaged by a flood two times in the past 10 years, where the cost of repairing the flood damage, on the average, equaled or exceeded 25 percent of its market value at the time of each flood. This is called repetitive damage. Additionally, there must have been flood insurance claim payments for each of the two flood losses.

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 file an ICC claim only 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 prepare your ICC claim. You should start getting estimates from contractors to take the necessary steps to elevate, relocate, demolish, or floodproof.

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 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 it 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.