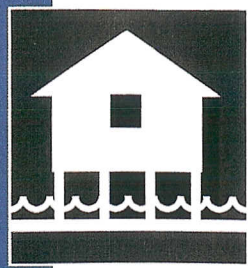
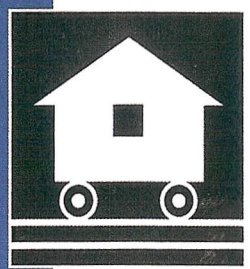
## Reduce Future Flood Losses

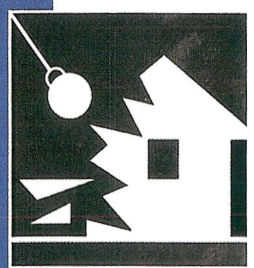
Comply with your community's building codes and floodplain ordinances to reduce future flood losses. You can use ICC to help pay for any of these mitigation solutions:

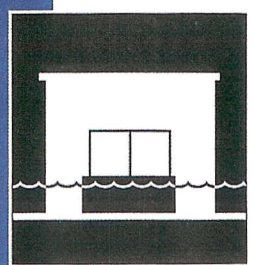
- Elevating above the flood level in your community.
- Relocating to a new site.
- Demolishing the building.
- Floodproofing (non-residential buildings only).

Ask community representatives to help you package ICC benefits with disaster and mitigation assistance grants, low-interest Small Business Administration loans, or other Federal funds to help build a safer future for you and family.









## ICC Helps to Ensure a Safer Future

John Smith's $110,000 home was flooded by Tropical Storm Allison so badly that the repair estimate totaled $63,525. After receiving the estimate, John and the local building official decided that elevating his home was the best way to meet the floodplain ordinance and prevent future damages.

John's agent filed an ICC claim after he obtained a proof of loss, a detailed repair estimate, and a substantial damage declaration on John's home. To start the project, Allright Insurance Company gave John $10,450 (half the total cost of elevation) to begin the elevation of his home; the final payment of $10,450 was paid after the work was completed.

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

Also, visit FEMA's Web site at http://www.fema.gov for valuable guidance to help you reduce losses from future floods, fires, and other disasters.
For more information on Flood Insurance go to http://www.floodsmart.gov.

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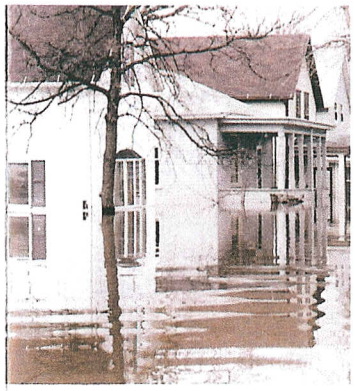

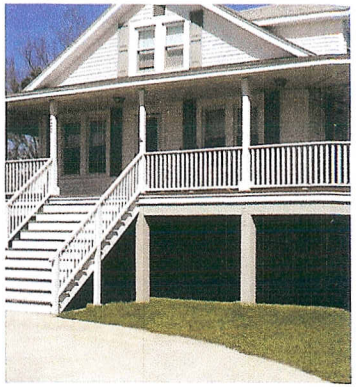

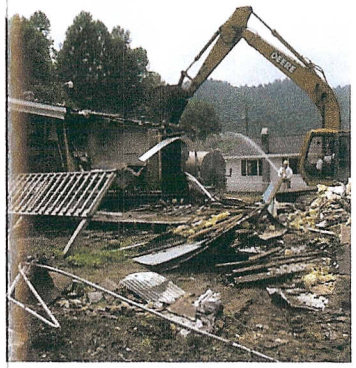

*National Flood Insurance Program*

# Increased Cost of Compliance Coverage

## Creating a Safer Future

FEMA

## Flood Insurance Includes an Additional Way to Help You Rebuild.

Increased Cost of Compliance, or ICC, coverage is part of most Standard Flood Insurance Policies. Claims for ICC benefits are filed separately from your claim for contents or building loss.

If eligible, you can collect up to $30,000 to help cover the cost of bringing your home or business into compliance with floodplain ordinances. If your building has been repeatedly or severely damaged by flooding, your local floodplain ordinances may require you to make changes to the property. You can use ICC benefits to help pay for these required improvements.

## Are You Eligible to File an ICC Claim?

You are eligible to file for ICC if your community floodplain administrator determines one of the following:

- Your property is "substantially damaged." This means that your community says the cost to repair your flooded building is 50% or more of its pre-disaster market value.
- Your property sustained "repetitive damage." This term applies to homes or businesses that were damaged by flooding twice in the past 10 years, where the cost of repairing the flood damage, on average, equaled or exceeded 25% of the property market value at the time of each flood. Also, there must have been flood insurance claim payments for each of the two flood losses, and the community's floodplain management ordinance must have a repetitive loss provision.

## Increased Cost of Compliance Claim Process

| Policyholder | Adjuster/Claims Representative | Local Building Department |
|---|---|---|
| 1 Report flood loss to insurer. | 2 Estimate flood damage and tell policyholder he/she may be eligible for ICC benefits. | 3 Determine building "substantially damaged" or a "repetitive loss." Provide written determination to policyholder.<br><br>Discuss mitigation options that will comply with floodplain regulations.<br><br>Issue necessary building permits for mitigation measures. |
| 4 Provide the building department's written determination of substantial damage or repetitive loss to the adjuster. | 5 Set up an ICC claim file:<br><br>Obtain damage and market value information on building from policyholder. For a repetitive loss building, get previous claim information.<br><br>Verify that the flood-related damage for the current building claim supports community information. | |
| 6 Obtain a signed contract that details costs to perform the mitigation activity and give it to the claims representative. | 7 Provide Proof of Loss form to the policyholder for a partial payment. | |
| 8 Provide Proof of Loss and copy of community permit(s) to the adjuster in order to receive the first portion of the ICC claim money. | 9 Provide initial ICC claim payment to the policyholder. | |
| 10 Complete the mitigation measure within 2 years from the date of loss. | | 11 Inspect completed mitigation work and issue a Certificate of Occupancy or other written evidence that the work is compliant with floodplain management ordinances. |
| 12 Provide a copy of Certificate of Occupancy to the insurer. | 13 Make final ICC claim payment upon receipt of Certificate of Occupancy. | |

*Note: When participating in a community-sponsored, FEMA-funded mitigation project, the policyholder may assign ICC benefits to the community to integrate into the project. The community then becomes responsible for submitting all of the appropriate paperwork.*

*Sequence of events may vary.*