

### 3. ***Should mortgage name(s) be included on the ICC partial and final payment checks?***

No. The SFIP Dwelling Form - Mortgagee Clause, Section VII, General Conditions. Q., states that any loss payable under Coverage A. will be paid to any mortgagee of whom the insurer has actual knowledge. ICC payments are subject to Coverage D and do not require naming a mortgagee.

### 4. ***What does "assignment of Coverage D" mean? What is the process involved?***

If a community plans to pursue a FEMA-approved mitigation project, such as a project under the Hazard Mitigation Grant Program, the policyholder can assign the eligible portion of Coverage D (ICC) claim to the community. The insured must complete the Assignment of Coverage D form and return it to the community official. The community official will submit a copy of the completed form and a written Declaration of Substantial Damage to the NFIP Bureau and Statistical Agent. The Bureau and Statistical Agent will enter the data into a tracking system and send both documents to the insurer, with instructions.

Specific steps for assignment of the ICC claim benefit to the community are itemized below.

- a. Policyholder consents to assignment of the ICC claim payment.
- b. Community official provides the policyholder with an Assignment of Coverage D form.
- c. Policyholder completes the form and returns it to the community official.
- d. Community official sends a copy of the form, along with the community's signed Declaration of Substantial Damage, to the NFIP Bureau and Statistical Agent at the following address:

NFIP Bureau and Statistical Agent  
PO Box 310  
Lanham MD 20706

Fax: (301) 577-3421  
E-mail: [iservice\\_claims@ostglobal.com](mailto:iservice_claims@ostglobal.com)

- e. Bureau and Statistical Agent enters the ICC information submitted by the community into a database. The Bureau then sends the documents to the appropriate WYO Company, with instructions. The company assigns an adjuster.
- f. Assigned adjuster contacts the policyholder to confirm receipt of the claim, and then contacts the community official to help coordinate the claim.
- g. Adjuster reviews the contract for demolition, elevation, relocation, or floodproofing to determine the covered cost.
- h. Adjuster has the community official sign the ICC Proof of Loss form once the claim value has been determined.
- i. Adjuster sends the NFIP Final Report form and the Proof of Loss to the insurance company for payment.

- j.** Insurance company issues the check to the community and advises the NFIP Bureau and Statistical Agent of the amount of the claim payment.

## **E. OTHER FREQUENTLY ASKED QUESTIONS AND ANSWERS**

- 1. *When an estimate for demolition of a dwelling includes the cost to demolish the garage, is coverage for the garage provided under ICC?***

The cost to demolish the home is covered. If the garage is detached, then coverage will not apply. The garage should have its own policy.

- 2. *Is ICC coverage provided for the slab, walkway, and driveway?***

Coverage is afforded for the slab. However, there is no coverage for the walkway and driveway.

- 3. *Fill dirt is required to stabilize the lot. Is this covered under ICC?***

If the cost is to grade the lot, then coverage will apply. The *Interim Guidance for ICC – Part 4, Demolition*, paragraph 2, states “Once the building is removed from the site, steps should be taken to clear the site of any remaining materials such as the foundation, remove any utility systems, and grade and stabilize the site in accordance with any State or local regulations.”

- 4. *If the lot is littered with trash such as tires, cans, etc., will this be considered ICC-covered debris?***

No coverage applies.

- 5. *The SFIP excludes coverage for septic systems. If the building is demolished under ICC, will the cost to remove the septic system be covered?***

Yes. First, all applicable permits to demolish the building must be obtained. Once the building is removed from the site, steps should be taken to clear the site of any remaining materials such as the foundation, remove any utility systems, and grade and stabilize the site in accordance with any State or local regulations.

- 6. *Are well water plugs covered under ICC?***

If the well water plug is part of the abandonment of on-site utilities, coverage will be afforded.

- 7. *What conditions must be met for a substantially damaged building to be eligible for an ICC claim ?***

A building is eligible for an ICC claim payment if it is in a Special Flood Hazard Area, and the community determines that the building has been damaged by flood to such an extent that the cost of restoring the building to its pre-damage condition would equal or exceed 50 percent of its pre-damage market value. At the time of loss, the building must be out of compliance with the local floodplain management construction guidelines (typically, the lowest floor for rating purposes is below the BFE).