

# Increased Cost of Compliance Coverage

## How You Can Benefit From

*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.*

### **1. 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 to help pay the costs to bring their home or business into compliance with their community's flood plain ordinance.

### **3. 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 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 flood plain management ordinance and determines that your home or business was damaged by a flood two times in the last 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.

### **5. 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 business, and can only be used to pay for costs of meeting the flood plain management ordinance in your community

### **2. Four Options Covered**

There are four options you can take to comply with community's flood plain 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. *Flood proofing.* This option is available primarily for nonresidential buildings. It involves making a building watertight through a combination adjustments or additions of features to the building that reduces the potential for flood damage.

### **4. 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 flood plain 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, flood proof, or demolish.

**Additional Information:**  
1-888-Call-Flood ext. 304

**FEMA's Web Site**  
<http://www.flood.alert.fema.gov>