

# INCREASED COST OF COMPLIANCE PROGRAM

## The Basics

Parishes and communities in Louisiana are at risk of flooding. Increased Cost of Compliance (ICC) coverage that can help people who have been flooded is part of the Standard Flood Insurance Policy. Here are the basics of the ICC. Additional information is available from the parish or community floodplain administrator and your insurance agent.

**Who Is Eligible to Claim ICC Money?** You are eligible to claim ICC money on your home or non-residential structure if it is:

1. **SUBSTANTIALY DAMAGED BY A FLOOD** (substantially damaged means that repairs will cost 50 percent or more of the building's pre-damage market value); or be considered a **REPETITIVE LOSS STRUCTURE**
2. *and* in the **100-YEAR FLOODPLAIN** (the Special Flood Hazard Area);
3. *and* below the current **ADVISORY BASE FLOOD ELEVATION (ABFE)**;
4. *and* covered by a **STANDARD FLOOD INSURANCE POLICY**.

## Who Is Not Eligible?

If you are covered by a **Group Flood Insurance Policy**, have **condominium unit** owner's coverage, or have a policy issued or renewed in a parish or community that is **part of the Emergency Program**, you are **NOT ELIGIBLE** for ICC coverage.

**How Much Can I Get?** You can get up to a maximum of \$30,000. The amount you receive is based on a proof of loss, a detailed repair estimate and a substantial damage declaration from the community. See your insurance agent, who will help you through the process. ICC is not a loan and does not have to be repaid.

**Relationship to Your Flood Policy.** The maximum amount you can collect for both ICC and your flood policy for a single-family dwelling is \$250,000, or \$500,000 for a non-residential structure, as established by Congress.

**What Can I Use the Money For?** The money can **ONLY** be used to help you meet local floodplain ordinance requirements when repairing and rebuilding in ways that reduce future flood damage. For example, if there was foundation damage, the **regular claim** will pay for the cost of repairing or replacing the foundation. The ICC funds would **ONLY be needed for the extra costs of raising** the foundation to meet local floodplain ordinance requirements.

**What Are My Options?** You can choose from four options. You decide what is best for you. Before making a decision **BE SURE** to ask the community's floodplain administrator to explain the floodplain management ordinance provisions that you will have to meet.

1. **ELEVATE** your home or business to the level adopted by your community or pay for the foundation of an elevated, reconstructed home.
2. **RELOCATE** your home or business to a new site or another location on the same lot.
3. **DEMOLISH** (tear-down, remove) the flood-damaged building.

4. FLOODPROOFING activities (for example, installing watertight shields for doors and windows, reinforcement of walls, install drainage collection systems and sump pumps, etc.) are ONLY AVAILABLE FOR NON-RESIDENTIAL buildings.

**Making an ICC Claim.** Contact your insurance company/agent who wrote your flood policy. He or she will explain the process and help you.

**Deadline:** The mitigation measures funded through ICC must be completed within four (4) years from the date of the event that caused the substantial damage declaration or repetitive loss declaration by the community floodplain administrator to be made. ICC can be used as the nonfederal match for a mitigation grant. The deadline may be extended in this instance at the discretion of FEMA.

### **Why is it called Increased Cost of Compliance?**

In order for the National Flood Insurance Program (NFIP) to authorize insurance agents to sell NFIP flood insurance in the Parish, the Parish is required to have an ordinance that sets the terms for compliance with floodplain management requirements. When a structure is damaged by any means more or improved by more than 50% of its value, it may be noncompliant with that flood ordinance. If the structure is not above the current base flood elevation (set by FEMA) or design flood elevation (safety level set by a Parish), then the structure owner will be required to elevate, demolish, or relocate the structure prior to being allowed to repair it. This is called being “out of compliance.” Since this is an NFIP requirement, if flooding is what caused the condition of substantial damage, your insurance policy will pay up to \$30,000 to come back INTO compliance with the flood ordinance.

### **For Additional Information See:**

- Lisa Ledet, Floodplain Administrator 985-873-6348
- Your insurance agent.
- Call the NFIP at 1-800-427-4661.
- The FEMA Website: <http://www.fema.gov/nfip>