

INCREASED COST OF COMPLIANCE (ICC) PROGRAM



The Basics

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 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 **BASE FLOOD ELEVATION (BFE)**;
4. *and* covered by a **STANDARD FLOOD INSURANCE POLICY**.

*The community must have a repetitive loss provision in its floodplain management ordinance.

Who is not eligible?

1. If you meet the other requirements above **but YOUR STRUCTURE WAS ALREADY ABOVE** the **current BFE**, you **MAY NOT CLAIM ICC** unless your community either adopts the **Advisory Base Flood Elevations (ABFE)** in its ordinance, **or** your community adopts **new Flood Insurance Rate Maps (FIRMs)**. The ABFE are usually higher elevations that may be required to protect from future flooding as well as guide redevelopment along the Texas Gulf Coast. Developing new FIRMs historically takes between 12 to 18 months.
2. 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 county or community that is **part of the Emergency Program**, you are **NOT ELIGIBLE** for ICC coverage.
CAUTION: SMALL BUSINESS ADMINISTRATION LOANS OR COMMUNITY DEVELOPMENT BLOCK GRANTS REQUIRE USING THE ADVISORY BASE FLOOD ELEVATIONS.

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.

What is the relationship to my 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. **ELEVATING** your home or business to the level adopted by your community.
2. **RELOCATING** or moving your home or business to a new site.
3. **DEMOLISHING** (tearing-down, removing) the flood-damaged building.
4. **FLOODPROOFING** activities (for example, installing watertight shields for doors and windows, reinforcing walls, installing drainage collection systems and sump pumps, etc.) are **AVAILABLE ONLY FOR NON-RESIDENTIAL** buildings.

How do I make a claim?

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

What is my deadline?

The mitigation measures funded through ICC must be completed within four (4) years from the date of the substantial damage declaration or repetitive loss declaration by the community floodplain administrator.

For additional information:

- See your community's floodplain administrator. The floodplain administrator is usually a member of the community's emergency management team.
- Contact your insurance agent.
- Call the NFIP at 1-800-427-4661.
- Visit the FEMA Website at <http://www.fema.gov/nfip>.

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This fact sheet was originally developed by the Louisiana Sea Grant Law & Policy Program, who granted permission for its modification and use. For more information, contact Rhonda Cummins, Coastal & Marine Resource Agent, Texas AgriLife Extension Service/Texas Sea Grant, at rdcummins@ag.tamu.edu or 361-552-9747.