

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 National Flood Insurance Program. 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 **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)** for its ordinance, **or** FEMA publishes 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 Louisiana Gulf Coast. If your community chooses to work with FEMA to develop new FIRMs the process 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 parish 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.

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.
2. **RELOCATE** or move your home or business to a new site.
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 A Claim. Contact your insurance company/agent who wrote your flood policy. He or she will explain the process and help you.

Deadline: **Previously** the mitigation measures funded through ICC **had to** be completed within four (4) years from the date of the substantial damage declaration or repetitive loss declaration by the community floodplain administrator. **The deadline has been extended. Currently, mitigation measures funded through ICC must be completed within seven (7) years from the date of the substantial damage declaration or repetitive loss declaration by the community floodplain administrator.**

For Additional Information See:

- The community's floodplain administrator. A directory of community floodplain administrators is available at: www.LouisianaFloods.org/officials
- Your insurance agent.
- Call the NFIP at 1-800-427-4661.
- The FEMA Website: <http://www.fema.gov/nfip>

For information concerning this fact sheet, contact Jim Wilkins,
Louisiana Sea Grant Legal Program, at jwilkins@lsu.edu or 225/578-5936.