

Fact Sheet: National Flood Insurance Program Increased Cost of Compliance

Release Date: September 20, 2017

If you are a Texas resident who sustained property damage caused by Hurricane Harvey flooding, and if your property is insured under the National Flood Insurance Program (NFIP) and is located in a special flood hazard area, you may qualify for NFIP [Increased Cost of Compliance](#) (ICC) coverage.

Under this coverage, you may be eligible to receive up to \$30,000 to help pay the cost of bringing your home into compliance with your community's floodplain management requirements. Your community floodplain administrator can provide information about these requirements.

No additional premium is required to be eligible for ICC, but it applies only to policies with building coverage.

This coverage is in addition to the building coverage for the repair of actual physical damage from the flood under your standard NFIP policy, subject to the statutory limit of \$250,000 on 1-4 family residential buildings, \$500,000 on residential buildings with 5 or more units, and \$500,000 on non-residential buildings.

You may file a claim for your ICC coverage in two instances:

- If your community determines that your home or business is damaged by flood to the point that repairs will cost 50 percent or more of the building's pre-damage market value. This is called substantial damage.
- If your community has a repetitive loss provision in its floodplain management ordinance and determines that your home or business was damaged by a flood two times in the past 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. Additionally, there must have been flood insurance claim payments for each of the two flood losses.



FEMA

Page 1 of 3

If you are eligible for ICC coverage, you should talk to your local floodplain manager or building official to pursue options to help reduce future flood damage. You may use ICC to help pay for any of these mitigation solutions:

- **Elevating** above the flood level in your community.
- **Relocating** to a new site.
- **Demolishing** the building.
- **Floodproofing** (non-residential buildings only).

How to file an ICC claim

Once your local official has determined that your building is substantially or repetitively damaged, contact your insurance agent to file an ICC claim. A claims representative will help you prepare your claim. You should start getting estimates from contractors to either flood-proof, relocate, elevate or demolish your property.

The ICC claim will be adjusted separately from the flood damage claim you file under your standard NFIP policy. Any item paid for in the original flood damage claim cannot be duplicated in the ICC payment.

Processing your claim

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 Proof of Loss form, you may receive a partial payment. You must complete the mitigation work within six years from the date of loss.

When the work is completed and inspected by local officials, you will get a certificate of occupancy or other compliance review document from your local official. Submit this to your claims representative to claim your final ICC payment.

For more information, contact your insurance agent or NFIP Call Center at **800-621-3362 (press 2)** from 5 a.m. to midnight. If you use TTY, call NFIP at **800-427-5593**. You can also email FloodSmart@dhs.gov to request information in a language other than English.

Information also is available at www.FEMA.gov, www.FloodSmart.gov and www.fema.gov/Texas-disaster-mitigation.



For more information on Hurricane Harvey and Texas recovery, visit the [Hurricane Harvey disaster web page](#), the [FEMA Harvey Facebook page](#), the [@FEMARegion6 Twitter account](#) and the [Texas Division of Emergency Management website](#)



FEMA

Page 3 of 3