

When your Local Building Department Says You Need to Rebuild to Higher Standards, FEMA Flood Insurance May Help

If Hurricane Ida hit your home hard, the damage may have been so great that you will not be allowed to simply repair the structure. When you make your claim, your flood insurance from the National Flood Insurance Program (NFIP) will pay your building and/or contents portion of the claim per your policy. In addition, you may be able to access an NFIP benefit known as Increased Cost of Compliance.

Substantially damaged

- If the damage was so great that it would cost equal to or more than 50% of the structure's pre-damaged market value to repair, and must meet local rebuilding standards, your home will be designated "substantially damaged" by the floodplain administrator. They will send you a substantial damage determination letter that outlines what rebuilding requirements you must meet.

What is Increased Cost of Compliance (ICC)?

- This term means that you will have to do additional and more costly work to the home in order to meet the rules or standards of the community's flood prevention ordinance in the area where your home is located. You need to bring the structure up to the current code. Your NFIP policy may help with these costs.
- ICC coverage is **included** under the National Flood Insurance Program (NFIP) Standard Flood Insurance Policy (SFIP). ICC helps policyholders with the costs incurred if they are required by the community building department to meet rebuilding standards after a flood.
- ICC coverage provides **up to \$30,000** to help pay for **relocating, elevating, demolishing and floodproofing** (non-residential buildings), or any combination of these mitigation activities. You will need to do one of these things to mitigate (lessen future damage):
 - **Relocating** – moving your structure to another location



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- **Elevating** – Physically raising your home or business to or above the locally adopted flood elevation
- **Demolishing** – Taking down and removing
- **Floodproofing** – Retrofitting a non-residential building to reduce the potential for flood damage by keeping water out of the building
- The ICC portion of the claim is handled separately from the building and/or contents portion of the claim. However, the combination of payments cannot exceed the maximum coverage limits available through the NFIP. For example, a policyholder cannot receive more than \$250,000 in claim payments for a residential building.
- Submit to your insurance carrier the substantial damage letter you received from your community building department declaring the building is substantially or repetitively damaged.
- Do not begin repair work before filing an ICC claim.
- The insurance carrier will verify that the flood damage to your building equals at least 50% of the pre-flood market value, which is required to start the ICC claim.
- FEMA mitigation grant funding may also be available, and the ICC benefit may be able to be used as matching funds. Talk to your local officials for more information about these grants.

Where to Get More Information

For more information about the ICC claim process, contact your insurance carrier and visit www.FEMA.gov/Increased-Cost-Compliance-Coverage, and view [Answers to Frequently Asked Questions About Increased Cost of Compliance](#). To speak with a FEMA Community Education and Outreach staff member about steps you can take to reduce your risk of future flood, wind and other damage, call 833-FEMA-4-US or 833-336-2487. You can also visit: [Louisiana Mitigation \(connectsolutions.com\)](http://Louisiana Mitigation (connectsolutions.com)). For Spanish, visit: [Spanish Repairing and Rebuilding after a Hurricane \(connectsolutions.com\)](#). For Vietnamese, visit: <https://fema.connectsolutions.com/la-vie-mit/>

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