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FLOOD INSURANCE COULD PAY GEORGIANS MORE THAN A CLAIM

ATLANTA – For those who still might be wondering whether a flood insurance policy is worth the money, consider this: If you live in a high-risk flood area you could be eligible for additional money to help recover.

The extra recovery money is known as Increased Cost of Compliance, or ICC. This provision is automatically available as part of most National Flood Insurance Program (NFIP) policies.

ICC coverage provides up to \$30,000 over and above a flood insurance claim to help property owners whose structures have been substantially damaged pay for actions that will reduce the risk of damage from future floods. A flood claim and ICC payout cannot exceed a total of \$250,000 for residential structures, \$500,000 for commercial structures.

Why is ICC a good deal? Because it helps property owners with the costs of elevating, demolishing or relocating a structure, which means they can use their regular flood insurance proceeds to pay for the damages and lost property and not have to make the regular proceeds stretch to cover protection measures as well. In the case of non-residential structures, ICC money also can be used for floodproofing a building.

To be eligible for ICC funds, a building must be insured by the NFIP, be located in a Special Flood Hazard Area (100-year floodplain), and be considered “substantially damaged” by a local building official or qualify as a “repetitive loss structure,” and therefore out of compliance with the local floodplain management regulations.

Substantially damaged means that a local building official has determined that the cost to repair a damaged structure – damaged from any cause – is more than 50 percent of the structure’s market value. A repetitive-loss structure is one that has had flood-related damage on two separate occasions during a 10-year period where the cost of repairs was 25 percent or more of the market value. (This applies only if a repetitive-loss provision is included in the local floodplain management regulations.)

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ICC coverage can help pay for such mitigation measures as:

- **Elevation:** Raising a building to, or above, the Base Flood Elevation in accordance with local requirements. The advantage of elevating is that the lowest floor of a structure is higher than the minimum flood level expected in an area in any given year.
- **Relocation:** Moving an entire structure to another location on the same lot or to another lot, usually outside of a floodplain. The advantage of relocation is that it offers the greatest protection from future flooding, provided that the relocation is not in a high-risk flood area.
- **Demolition:** Tearing down a structure that is too flood-damaged to repair, elevate or relocate. The advantage of demolishing a heavily damaged structure is that it provides an opportunity to rebuild using the same lot, as long as allowed by local code requirements.

In the case of non-residential structures such as commercial buildings, ICC money can pay for elevation, relocation, demolition and one additional feature: floodproofing.

- **Floodproofing:** Makes a structure watertight to a level 1 foot above the Base Flood Elevation or whatever level a local community requires, and able to withstand the stresses imposed by floodwaters. Usually floodproofing involves such techniques as installing watertight shields for doors and windows, drainage collection systems, sump pumps and check valves, etc. Check with local officials for more ideas.

For more information on how to buy a flood insurance policy or on ICC coverage, call the NFIP at 888-435-6637 or go online to www.floodsmart.gov.

FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

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