



How Local Floodplain Managers Can Facilitate the ICC Process After a Flood Event

In the aftermath of a flood, homeowners often face the challenge of rebuilding in compliance with updated floodplain regulations. One key resource available to help offset these costs is Increased Cost of Compliance (ICC) coverage through the National Flood Insurance Program (NFIP). Local floodplain managers are uniquely positioned to guide residents through the ICC process, ensuring they receive the financial support needed to rebuild safer and stronger.

What Does ICC Cover? (Remember the acronym **FRED**)

ICC coverage provides up to **\$30,000** to help property owners bring their flood-damaged buildings into compliance with local floodplain management ordinances. Eligible mitigation measures include:

- **Floodproofing:** For non-residential buildings, implementing measures to make the structure watertight below the BFE.
- **Relocation:** Moving the building to a location outside the flood hazard area.
- **Elevation:** Raising the building to or above the Base Flood Elevation (BFE).
- **Demolition:** Tearing down the flood-damaged building.

Important Note on Elevation Coverage

ICC elevation funding **only covers the costs directly associated with elevating the structure**, such as lifting the building, modifying the foundation, adjusting utilities, and adding access features like stairs or ramps. It **does not cover repairs to the existing building**, such as drywall, flooring, roofing, or cosmetic improvements. These repairs may be covered under the main flood insurance claim, but not under ICC.

Demolition Limits

There is **no separate cap for demolition** under ICC — the total reimbursement for any combination of eligible mitigation measures is limited to **\$30,000**. Demolition costs must be necessary to comply with local floodplain ordinances and must be clearly documented.

Survey Costs

Survey expenses — including elevation surveys and Elevation Certificates — are **eligible for ICC reimbursement** if they are required for the approved mitigation activity. These costs must be documented and directly tied to compliance efforts.

ICC and NFIP Coverage Limits

ICC coverage is **not in addition to** the NFIP building coverage limit. The **combined payout for building damage and ICC cannot exceed the maximum NFIP building coverage** — which is **\$250,000** for residential structures. **Source:** [NFIP Adjuster Claims Manual, Part 3](#)

What Documentation Is Required for ICC Reimbursement?

To successfully file an ICC claim, residents must provide several key documents. Floodplain managers can assist in providing some of these materials:

1. Substantial Damage Determination Letter

- Issued by the local floodplain manager, this letter must confirm that the building is **substantially damaged** (typically damage exceeds 50% of the market value).
- It must clearly state that the damage was caused by **flooding**, not other hazards like wind or fire.
- The letter must also **identify the specific storm or flood event** responsible for the damage (e.g., "Hurricane Idalia – August 2023").

2. Proof of NFIP Flood Insurance

- A copy of the flood insurance policy showing ICC coverage.

3. Elevation Certificate

- Required to show eligibility for ICC even if the damaged building is pre-FIRM and did not previously require this form for rating.
- Required especially for elevation projects, this certificate documents the building's elevation relative to the BFE.
- It should include both **pre-mitigation** and **post-mitigation** elevation data to verify compliance and support reimbursement.

4. Detailed Cost Estimates

- Itemized estimates for the mitigation work (elevation, demolition, etc.) from licensed contractors.

5. **Permit Documentation**

- Copies of local permits issued for the mitigation work, showing compliance with floodplain ordinances.

6. **Mitigation Plan or Scope of Work**

- A description of the proposed mitigation activity, including timelines and methods.

7. **Proof of Completion**

- Final invoices, photographs, and inspection reports verifying that the work was completed as planned.

8. **Community Ordinance Reference**

- Documentation showing that the mitigation measure is required under the community's floodplain ordinance. This may include a copy or excerpt of the relevant regulation, a citation of the ordinance section, or a written verification from the floodplain manager confirming that the work is mandatory for compliance.

Reimbursement Timing

ICC reimbursement is generally issued **after the mitigation work is completed**. Partial payments may be possible in rare cases, but final documentation — including proof of completion — is typically required before funds are disbursed.

What Floodplain Managers Should Tell Residents Seeking ICC

To help residents navigate the ICC process, floodplain managers should provide the following key information:

- **Eligibility Requirements:**
 - Building must be insured under the NFIP.
 - Damage must be flood-related and substantial ($\geq 50\%$ of market value).
 - Property must be in a Special Flood Hazard Area (SFHA); exceptions for SRL properties
- **Substantial Damage Letter:**
 - Must confirm flood damage and name the specific storm event.
 - Should reference the applicable floodplain ordinance.
- **Covered Mitigation Options:**
 - Elevation, relocation, demolition, and floodproofing (non-residential only).

- Clarify that elevation covers foundation and access modifications, not cosmetic repairs.
- **Required Documentation:**
 - Substantial damage letter
 - NFIP policy with ICC coverage
 - Elevation Certificate (pre/post)
 - Cost estimates
 - Permits
 - Scope of work
 - Final invoices and photos
 - Inspection reports
 - Reference to local ordinance requiring the mitigation
- **Reimbursement Timing:**
 - ICC funds are typically disbursed **after** mitigation is completed.
 - Residents should retain all receipts and records.
- **Cost Limits and Survey Coverage:**
 - ICC covers up to **\$30,000**, but total payout (building + ICC) cannot exceed **\$250,000**.
 - Survey costs are eligible if necessary for compliance.
- **Additional Support:**
 - Contact info for local building officials and surveyors.
 - Guidance on combining ICC with other FEMA mitigation grants (e.g., HMGP, FMA).
 - Link to FEMA's ICC guidance: [FEMA 301](#)

☒ **Best Practices for Floodplain Managers**

- Create a post-disaster ICC checklist for residents.
- Maintain templates for substantial damage letters that include flood-specific language and storm identification.
- Host community meetings to explain ICC and mitigation options.

- Coordinate with local building officials and surveyors to streamline approvals and Elevation Certificate collection.

Conclusion

ICC coverage is a vital tool for building flood resilience, and local floodplain managers are the linchpin in making it accessible. By guiding residents through the process and ensuring proper documentation — especially a flood-specific substantial damage letter, accurate Elevation Certificate, ordinance references, and a clear understanding of reimbursement timing and payout limits — they help transform recovery into an opportunity for long-term safety and sustainability.

FEMA OFIA Guidance

The FEMA Office of Insurance and Mitigation Administration (OFIA) provides detailed guidance on ICC procedures and eligibility in [FEMA 301: Increased Cost of Compliance Coverage](#). Floodplain managers and residents should refer to this document for authoritative instructions and examples.