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# Increased Cost of Compliance Coverage



English

If your home or business is damaged by a flood, you may be required to meet certain building requirements in your community to reduce future flood damage before you repair or rebuild. To help you cover the costs of meeting those requirements, the National Flood Insurance Program offers Increased Cost of Compliance (ICC) coverage.

## How Much Coverage is Available

Flood insurance policyholders in high-risk flood areas (also known as special flood hazard areas) may receive up to \$30,000 to help offset the costs to bring their home or business into compliance with their local community's floodplain management ordinance or regulations.

## Four Options Covered

There are four options you can choose, or any combination of, to help you reduce future flood damage. You should consult with your local floodplain administrator to help determine which option is best for your property.

## Elevation

This raises your home or business to or above the flood elevation level adopted by your community.

## Demolition

This tears down and removes flood-damaged buildings.

## Relocation

This moves your home or business out of harm's way.

## Floodproofing

This option is available primarily for non-residential buildings. It involves making a building watertight through a combination of adjustments or additions of features to the building that reduces the potential for flood damage.

# When to File an Increased Cost of Compliance Claim

If you receive a declaration from your local floodplain administrator that your home is substantially or repetitively damaged, you may file a claim for your Increased Cost of Compliance (ICC) coverage. Below are the definitions to learn more about those terms:

1. 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.
2. 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. This is called repetitive damage. Additionally, there must have been flood insurance claim payments for each of the two flood losses.

# How to File an Increased Cost of Compliance Claim

Your ICC claim is adjusted separately from the flood damage claim you file under your Standard Flood Insurance Policy. You can only file an ICC claim if your community determines that your home or business has been substantially damaged or repetitively damaged by a flood. This determination is made when you apply for a building permit to begin repairing your home or business.

If your community does determine that your home or business is substantially or repetitively damaged, a local official will explain the floodplain management ordinance provisions that you will have to meet. You may also want to consult with the local official before you make the final decision about which of the options to pursue.

Once your community has made this determination, contact the insurance company or agent who wrote your flood policy to file an ICC claim. Your insurer will assign a claims representative who will help you process your ICC claim. You should start getting estimates from contractors to take the necessary steps to elevate, relocate, floodproof, or demolish.

## How Your ICC Claim Payment is Handled

You may be able to receive a partial advance payment for up to half of the eligible benefit or up to \$15,000 once the claims representative has a copy of the signed contract for the work, a permit from the community to do the work, and a return of your signed ICC Proof of Loss. If the work is not completed, you must return any partial payment to your insurer.

When the work is completed, local officials will inspect and issue a certificate of occupancy or a confirmation letter. Once you submit this document to your claims representative, your insurer will pay the final installment or full payment.

ICC claims will only be paid on flood-damaged homes and businesses, and can only be used to pay for costs of meeting the floodplain management ordinance in your community.



For more information on ICC coverage, call your insurance company or agent, or call the NFIP toll-free at 1-800-427-4661. TDD# 1-800-427-5593.

# Related Documents

Additional information on increased cost of compliance can be found below:

- [Video on Increased Cost of Compliance](#)
- [Increased Cost of Compliance \(ICC\) Fact Sheet](#)
- [FEMA P-1080, Answers to Frequently Asked Questions About Increased Cost of Compliance](#)
- [Increased Cost of Compliance Brochure](#)
- [Increased Cost of Compliance Proof of Loss](#)
- [ICC Policyholder's Processing Checklist](#)
- [Add Repetitive Loss Provision to Local Floodplain Management Regulations](#)

## Still Have a Question?

If this page doesn't answer all of your questions about ICC, please contact your flood insurance agent or company, or contact your regional [FEMA office](#) and ask to speak with someone in Mitigation about flood insurance and ICC.

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