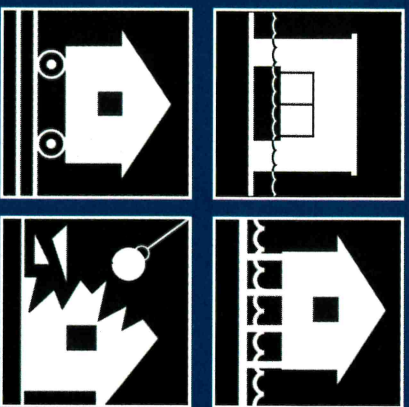




If your building is damaged by a flood, you may be required to meet certain building requirements in your community to reduce future flood damage before you repair or rebuild.

The National Flood Insurance Program (NFIP) Standard Flood Insurance Policy (SFP) provides Increased Cost of Compliance (ICC) coverage, which may be available to help cover the costs of meeting those requirements, subject to eligibility. For more information, contact your insurance agent and refer to Section III, Coverage D of your SFP.

For more information about the NFIP and flood insurance, call
1-800-427-4661
 or contact your
 insurance company or agent.

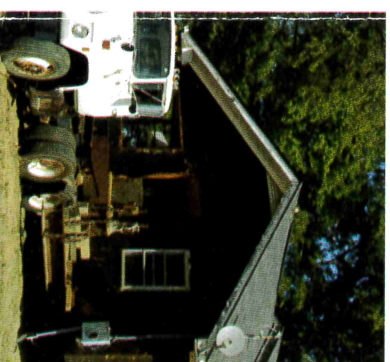
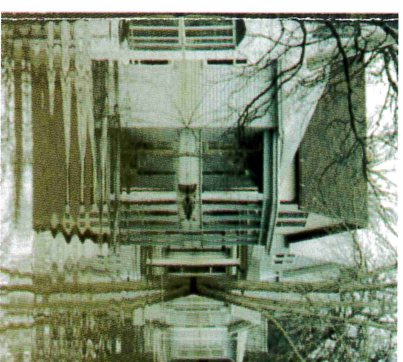
For an agent referral, call
 1-888-435-6637

Also, visit FEMA's website at
www.fema.gov
 for valuable guidance to help you reduce losses from floods, fires, and other disasters.

National Flood Insurance Program Increased Cost of Compliance Coverage How You Can Benefit



FEMA



Increased Cost of Compliance Coverage

How Much Coverage Is Available

If eligible, National Flood Insurance Program (NFIP) policyholders may receive up to \$30,000 of Increased Cost of Compliance (ICC) coverage to help pay the costs to bring their building into compliance with their community's floodplain ordinance. The coverage availability and payment limits are subject to the terms of the Standard Flood Insurance Policy (SFIP) and maximum coverage limits, including all applicable NFIP rules and regulations.

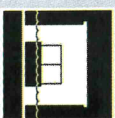
Filing an ICC Claim

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

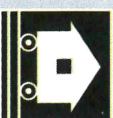
1. When your community determines that your building is "substantially damaged", wherein the cost to repair or improve the structure exceeds its market value by a threshold amount adopted by law or ordinance. Community building officials are responsible for the issuance of substantial damage declarations.
2. When your community has a "repetitive loss" provision in its floodplain management ordinance and determines that your building was damaged by a flood two times in the past 10 years, where the cost of repairing the flood damage, on average, equaled or exceeded 25 percent of its market value at the time of each flood.

Four Options Covered: Floodproofing, Relocation, Elevation, or Demolition (F.R.E.D.)

There are four options you can pursue to comply with your community's floodplain management ordinance and help reduce future flood damage to your building. You may decide which of these options (F.R.E.D.) is best for you.



1. 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.



2. Relocation. This moves your building out of harm's way.



3. Elevation. This raises your building to or above the flood elevation level adopted by your community.



4. Demolition. This tears down and removes flood-damaged buildings.

How to File an ICC Claim

If your community does determine that your building 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 your insurer or insurance agent to file an ICC claim. The insurer will assign a claims representative who will help you prepare your ICC claim. The ICC claim will be adjusted separately from the flood damage claim you file under your SFIP. You should start getting estimates from contractors to take the necessary steps to F.R.E.D. – floodproof, relocate, elevate, or demolish.

How Your ICC Claim Is Processed

You may be able to receive a partial payment 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 ICC Proof of Loss. If the work is not completed within the required time frame, you must return any partial payment to your insurer.

When the work is completed, local officials will inspect it 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.

It's important to remember, only policyholders with substantially or repetitively flood-damaged buildings may be eligible for ICC coverage. ICC helps pay for the costs of meeting the floodplain management requirements adopted by law or ordinance in your community. Any item paid for in the original flood damage claim cannot be duplicated in the ICC payment.