

## Increased Cost of Compliance Coverage Proves Beneficial to Louisiana Homeowner

**ST. TAMMANY PARISH, La.** – Homeowner Sharon Pfister experienced the wrath of Hurricane Katrina first-hand when it made landfall in Louisiana on August 29, 2005, battering her home and leaving neighborhoods in ruins. The storm surge from the Category 3 hurricane impacted the entire 57-mile St. Tammany Parish coastline, including Madisonville where Pfister has lived for more than 20 years.

“We got four feet of water from Katrina. It was enough to destroy everything,” said Pfister. “After we moved out and began cleaning up the place, Hurricane Rita struck and flooded the house again. We got two to four feet of water from Rita.”

Repairing the damage caused by two hurricanes seemed to be an insurmountable task, but because Pfister had flood insurance and was eligible for Increased Cost of Compliance (ICC) funds, recovery was attainable.

National Flood Insurance Program (NFIP) policyholders who need additional help rebuilding after a flood may be eligible for up to \$30,000 in ICC funds to help cover the cost of bringing the home or business into compliance with local floodplain ordinances. To comply, owners may decide to elevate, repair, relocate, or demolish their property. Claims for ICC benefits are filed separately from contents or building loss claims.

To be eligible for ICC coverage, the community floodplain administrator must determine a building to be “substantially damaged,” or to have sustained “repetitive damage.”

A building is considered to be substantially damaged when the total cost of repair equals or exceeds 50 percent of the pre-disaster market value of the structure.

Homes or businesses that have sustained repetitive damage, have incurred flood-related damage twice over a period of 10 years, and the cost to repair the damage, on average, equals or exceeds 25 percent of the pre-disaster market value of the structure at the time of each flood event. This applies only if the participating community has a repetitive loss provision in their floodplain management ordinance, and an insurance claim payment is made for each of the two flood losses.

“I received \$30,000 in ICC funds and nearly \$80,000 from The Road Home program to complete repairs and elevate my house,” said Pfister. The Road Home program is funded by the U.S. Department of Housing and Urban Development and provided up to \$150,000 in compensation to Louisiana property owners affected by Hurricanes Katrina or Rita. The money was used to rebuild and protect homes and rental property from future storm damage.

On August 29, 2012, Hurricane Isaac hit southeastern Louisiana and once again high winds and high tides battered Madisonville. Although floodwaters reached three feet, Pfister’s home remained unscathed.

“The house was elevated eight feet. This turned out to be a good decision,” said Pfister. “My husband thought it would look funny because the house was small. I suggested eight feet so we could add-on



and use the extra space underneath; something I had wanted to do for years. The elevation project gave me the opportunity.”

Five of the 15 homes on Pfister’s street are elevated. Every house that was not raised flooded during Hurricane Isaac.