



FEMA

W-05081

November 18, 2005

MEMORANDUM TO: Write Your Own Principal Coordinators and the NFIP Servicing Agent

FROM: David I. Maurstad *David I. Maurstad*
Acting Director
Mitigation Division

SUBJECT: Advisory Base Flood Elevations and Increased Cost of Compliance

The Federal Emergency Management Agency (FEMA) has a responsibility to help ensure that communities affected by catastrophic events are returned stronger and less vulnerable to loss of life and property from future disasters, based on the best data available identifying the risk. In light of the devastating hurricane events in the Gulf Coast region, FEMA has gathered and is assessing available flood hazard data for the areas impacted by Hurricanes Katrina and Rita.

Based on a preliminary assessment, FEMA has determined that the 1% annual chance flood event depicted on the effective or preliminary Flood Insurance Rate Maps does not adequately reflect post-storm conditions. Accordingly, to assist local communities in their rebuilding efforts, FEMA will develop advisory base flood elevations (ABFEs) and flood recovery mapping to reflect the ABFE boundaries. To date, ABFEs exist for limited locations in the Katrina affected States; however, FEMA continues to gather and assess the flood hazard data for other locations in the States affected by Hurricanes Katrina and Rita.

If the community adopts and enforces the FEMA provided ABFEs, Increased Cost of Compliance (ICC) benefits will be available to elevate buildings to the ABFEs. If the community does not adopt and enforce the ABFEs, ICC benefits will only pay to elevate to the BFE on the current Flood Insurance Rate Map (FIRM). The community must declare the building to be substantially damaged by flood by the time the repair permit is issued by the community. As is now the case, the community must enforce the ABFE or BFE uniformly throughout the community. ICC benefits will also be paid for any freeboard elevation adopted and being uniformly enforced by the time the repair permit is issued by the community. ICC benefits will also be paid to elevate a building to the ABFE in what is a B, C, or X zone on the current FIRM if the ABFE is shown for that area and has been adopted and is being enforced by the community for that area.

Attached are some Frequently Asked Questions about ABFEs and ICC.

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Underwriting

Frequently Asked Questions

Application of Advisory Base Flood Elevations (ABFEs) for Increased Cost of Compliance Eligibility

Question: Does the adoption of the ABFEs have to be uniform throughout the community to make structures eligible for ICC?

Answer: Yes.

Question: If the community adopts flood elevations that are greater than the current effective BFEs, but lower than the ABFEs for the community, are ICC benefits available?

Answer: No.

Question: If the community does not adopt the ABFE but requires freeboard in addition to the current effective BFE, will ICC coverage be available to elevate the structure to the new community requirement?

Answer: Yes. ICC provides coverage for elevation or floodproofing above the base flood elevation to meet State or local freeboard requirements.

Question: If a survey shows that a site in the B, C, and X zone is below the BFE on the current effective FIRM for areas immediately adjacent to the Special Flood Hazard Area and the community applies their floodplain management regulations to these areas, are ICC benefits available?

Answer: Yes; the community must adopt and enforce these regulations throughout the community for ICC to be available. These areas were inadvertently excluded and should have been mapped as Special Flood Hazard Areas.

Question: Will ICC benefits apply to B, C, X, or D zones if the community adopts and enforces the higher regulatory requirement from the ABFE?

Answer: Yes, if the ABFE is shown by FEMA as applicable to those zones.

Question: If a house was built in compliance with the current effective FIRM, was substantially damaged, and subsidence had occurred causing the lowest floor elevation to be lower than the current effective BFE, would ICC pay to elevate the structure back to the BFE or to the ABFE?

Answer: Yes, to whichever elevation the community has adopted and is enforcing throughout the community.

Question: If a building is declared by the community to be substantially damaged by flood and is demolished at no cost to the insured, will ICC pay for other ICC eligible mitigation costs?

Answer: Yes, ICC will pay for other ICC eligible mitigation costs, but ICC will not pay for the demolition cost that has already been paid for.

Question: If a building is not declared to be substantially damaged by the community but is demolished by the community at no cost to the insured, will ICC pay for other eligible mitigation costs?

Answer: Yes, but only if the community declares the building to be substantially damaged by flood before the rebuild permit is issued. ICC will not pay for the demolition cost.

Question: Is ICC available if policyholders choose to elevate their buildings to conform with the ABFE issued by FEMA, but the ABFE has not been adopted by the community?

Answer: No. ICC pays to comply with State or local floodplain management laws or ordinances. Since the community has not chosen to adopt and enforce the new ABFE, ICC is not available.

Question: Will the policyholders who repair their substantially damaged homes prior to the community adopting the ABFE be retroactively eligible for ICC?

Answer: No.

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