

FEB 13 2008



FEMA

February 5, 2008

The Honorable Gene Taylor
United States House
of Representatives
Washington, DC 20515

Dear Representative Taylor:

Thank you for participating in the briefing on the new Digital Flood Insurance Rate Maps (DFIRMs) for the State of Mississippi, which was held November 15, 2007, here in Washington. At that meeting, you requested clarification on the availability of Increased Cost of Compliance (ICC) coverage for structures formerly located in areas at low to moderate risk of flooding. As a result of the updating and modernization of the maps, these structures are now shown on the DFIRMs as located in high-risk Special Flood Hazard Areas (SFHAs), which are subject to inundation by the base (1-percent-annual-chance) flood.

A similar issue surfaced when the Federal Emergency Management Agency (FEMA) published Advisory Base Flood Elevations (ABFEs) in 2005. At that time, FEMA stated that ICC coverage would be available if the community adopts and is enforcing its ABFEs. The same principle applies now that the preliminary DFIRMs have been published. An ICC claim can be paid to elevate or dry floodproof (generally non-residential buildings only) a structure in an area designated Zone B, C, or X (outside the SFHA) if:

- the flood zone is being changed to an A or V Zone on the preliminary DFIRM and in the Flood Insurance Study (FIS) report; and
- the community adopts and enforces the Base Flood Elevations (BFEs) on the preliminary DFIRM and FIS report.

However, if an insured property owner rebuilds to the level of the BFE on the new flood map *before* the community adopts and enforces the preliminary map, ICC coverage does not apply because compliance with the new, higher BFE was not required when the property was rebuilt.

A different outcome results if an insured property owner chooses to exceed a community requirement that itself exceeds National Flood Insurance Program minimums. In this case, the property owner is eligible only for either that portion of the cost associated with the community requirement or the ICC limit of \$30,000, whichever is less.

The local community officials in Mississippi are to be commended for the eagerness they expressed to adopt the new flood maps and get on with the rebuilding of their communities.

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Knowing that their citizens will be able to get more help in the rebuilding process as soon as the maps are adopted should provide the impetus for them to move quickly on adoption of the DFIRMs.

If you need additional information of assistance, please have a member of your staff contact the FEMA Office of Legislative Affairs by telephone at (202) 646-4500.

Sincerely,



David I. Maurstad
Federal Insurance Administrator
National Flood Insurance Program

DM:dk