U.S. Department of Homeland Security
Washington, D.C. 20472

FEMA

W-15038

August 10, 2015

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, NFIP Servicing Agent, and Independent Adjusting Firms

FROM: Roy E. Wright
Deputy Associate Administrator for Insurance and Mitigation

SUBJECT: **Extension of the Current Four-Year Time Limit for Completing Increased Cost of Compliance Benefit Related Work to a Six-Year Time Limit for All Flood Claims Occurring After January 1, 2011**

The National Flood Insurance Program (NFIP) provides Increased Cost of Compliance (ICC) coverage to pay up to $30,000 towards the cost of compliance with State or local floodplain management laws or ordinances (Section II1.D – Increased Cost of Compliance of the Standard Flood Insurance Policy (SFIP)). The Standard Flood Insurance Policies (SFIPs) provide two years from the date of loss for the policyholder to complete the ICC qualifying work in Section III, Coverage D.

In FEMA bulletins w-13006 and w-13024, the Associate Administrator for the Federal Insurance and Mitigation Administration exercised his waiver authority to conditionally allow for advance payments of ICC funds (up to ½ of the amount for the qualifying work or a maximum of $15,000) and extended the two year time frame to complete the ICC mitigation to four years from the date of loss. In the event the required mitigation measures are not completed within four years, the remaining ICC benefit cannot be paid and any advance payment received by the policyholder must be returned.

ICC benefits may also be used as the non-Federal cost share for FEMA mitigation grant projects where the cost share is the responsibility of the NFIP policyholder. The mitigation grant process, however, may often extend beyond four-years from the date of the flood loss.

To facilitate the completion of mitigation grant-related activities without the need for additional waivers of the now four-year time frame to complete qualifying ICC work, I hereby waive the provisions of Section III.D.5.e of the SFIP Dwelling form, General Property form and the Residential Condominium Building Association Policy form and allow an additional two years to complete the approved ICC mitigation measures for all losses occurring on or after January 1, 2011. This means NFIP policyholders will now have six years to complete the approved ICC mitigation measures starting on the date of the underlying flood insurance indemnity loss if the loss occurred on or after January 1, 2011. This bulletin does not alter any applicable time frames for any loss occurring before January 1, 2011.

Any conflicting and previously issued waivers and guidance are hereby amended by the issuance of this bulletin.

AUTHORITY: This waiver is made pursuant to the SFIP provisions dealing with Amendments, Waivers, and Assignments of the SFIP (VII. D of the SFIP Dwelling Form, General Property Form and VIII, D of the SFIP Residential Condominium Building Association Policy Form) and 44 C.F.R. § 61.13(d).

Thank you for your continued cooperation.

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Underwriting