

TOWN OF SEWALL'S POINT BUILDING DEPARTMENT

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FEMA 50% RULE

Flood Rules Designed To Help Build A Safer Florida

Local Codes to Require Better Protection Release Date: November 19, 2004

Release Number: 1539-285

ORLANDO, Fla. -- Modern state and local building codes are working in Florida today, with significant support from the "50% rule," to rebuild safer, more flood-resistant communities that were heavily damaged by summer hurricanes.

Under terms of this rule, structures sustaining 50 percent or more of their pre-disaster, fair market value are treated as new structures and must be repaired or rebuilt in accordance with current state and local ordinances that regulate new construction in the floodplain. Local government officials determine pre-disaster fair market values.

Today, thousands of Floridians in flood-prone areas, whose properties were substantially damaged by the storms, are facing the task of rebuilding their homes or businesses. As Floridians rebuild to create a safer environment, they will need to comply with local, state and federal laws that have set standards designed to reduce the cost of future disasters.

Under Florida law and National Flood Insurance Program (NFIP) requirements, participating local governments must assess the percentage of storm damage to buildings, for compliance to local and statewide building codes. These assessments are occurring throughout the state today.

An assessment of "substantial damage"-- also known as the "50% rule" -- can mean an owner must decide whether to elevate a structure above expected flood levels, to add structural reinforcements to strengthen the building or even to relocate or demolish the structure.

In recognition of reconstruction costs involved in meeting this provision of NFIP coverage, Increased Cost of Compliance (ICC), was created. ICC applies to flood losses large enough to trigger community declarations of substantial damage. The arrangement can provide up to \$30,000 to NFIP policyholders to help pay for some of the increased costs in rebuilding or repairing structures to meet code requirements. The U.S. Small Business Administration's low-interest disaster loan program can also provide assistance to help pay for increased cost of compliance.

In addition to the ICC coverage in the flood insurance policy, there may be additional coverage under the Law or Ordinance clause in the homeowner's wind policy. This coverage may assist the property owner with additional cost of meeting the current building codes, including floodplain management codes. Property owners should contact their insurance agent to ask about this valuable coverage.

On March 1, 2003, FEMA became part of the U.S. Department of Homeland Security. FEMA's continuing mission within the new department is to lead the effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident. FEMA also initiates proactive mitigation activities, trains first responders, and manages the National Flood Insurance Program and the U.S. Fire Administration.

Last Modified: Monday, 22-Nov-2004 08:57:51