

FLOOD INSURANCE REQUIREMENTS HOMEOWNER ASSISTANCE PROGRAM

If your damaged home, reconstructed home, or replacement home is located in a Special Flood Hazard Area (SFHA), you are required as per the Restore program executed Grant Agreement to maintain flood insurance in the amount of the lesser of:

1. The full insurable value of the structure as defined by Restore as the total project cost for your home
- OR
2. The maximum amount available for the structure under the National Flood Insurance Program

THE FULL INSURABLE VALUE OF THE STRUCTURE WILL BE BASED ON THE RESTORE LOUISIANA'S FINAL TOTAL PROJECT COST FOR YOUR HOME. **TOTAL PROJECT COST IS DESCRIBED BELOW:**

Repair:

$$\frac{\text{Reimbursement Estimate with Overhead} + \text{Repair Estimate with Overhead}}{\text{= Total Project Cost}}$$

OR

Reconstruction:

$$\frac{\text{Reconstruction Estimate } \textit{Sol 1 only} \text{ OR Reconstruction Estimate with Overhead } \textit{Sol 2 only}}{\text{= Total Project Cost}}$$

OR

Manufactured/Mobile Home Unit (MHU):

$$\frac{\text{Lesser of MHU Award Cap OR Purchase Cost} + \text{Program Approved Installation Costs}}{\text{= Total Project Cost}}$$

IF THE TOTAL PROJECT COST CHANGES AS THE APPLICANT MOVES THROUGH THE GRANT PROCESS, THE HOMEOWNER MUST ENSURE THE INSURANCE AMOUNT COVERS THE TOTAL PROJECT COST.

- Homeowners being served by the program who do not provide proof of flood insurance in the amount required as noted above will be ineligible to receive grant funding and all of your Restore funds may be subject to recapture, including those disbursed in reimbursement.
- Failure to maintain insurance may result in applicants being ineligible for future disaster relief.
- Homeowners who receive federal disaster assistance for a flood damaged home must purchase and maintain flood insurance coverage on the flood-damaged property for as long as the flood damaged home exists.
- If the homeowner sells the home after receiving federal disaster assistance, they must inform the new owner of the requirement to maintain flood insurance coverage. In most cases, an existing flood insurance policy transfers to a new owner with no lapse in coverage.

Proof of flood insurance must be provided at your Grant Agreement Execution and again before final disbursement. You will need to provide ONE of the documents noted below:

1. A declaration sheet or ACORD form describing your flood insurance coverage.

OR

2. A flood insurance application with receipt proving payment from the flood insurance.

Homeowners who have a FEMA group flood insurance policy may be required to purchase additional coverage to cover the total project cost. Homeowners should reach out to the insurer to determine if the group policy will remain in effect after purchasing more coverage.

If flood insurance is required, but not available due to the disrepair of your damaged home, you must submit:

1. A declination letter from your insurance company at your Grant Agreement Execution.

AND

2. Proof that you obtained flood insurance once construction has been completed on the damaged home prior to receiving your final grant award.

***Reconstructions and Solution 2 MHUs are excluded from providing a declination letter due to the absence of an insurable structure at the time of signing the Grant Agreement. Applicants must still obtain and submit current flood insurance prior to final payment.*