

# **Business Disaster Recovery Programs Flood Insurance Reimbursement Program Program Guidelines**

## Purpose

The purpose of the disaster recovery flood insurance reimbursement (FIRP) program is to provide financial assistance to reimburse businesses for the cost of flood/sewer backup and related business interruption insurance coverage. Businesses are eligible if they meet one of the following criteria: (1) had water in their building as a result of the 2008 disaster(s), involving overland flow or sewer backup; and/or (2) are located in the 100 or 500-year floodplain. Under option (2), businesses that located to either floodplain subsequent to the disaster may also be eligible for assistance. Reimbursement would be for a one time, one year of coverage, up to \$30,000 per qualified business.

## Definitions

- “*Administrative entity*” means the direct applicants for this activity who are the cities of Cedar Falls, Cedar Rapids, Des Moines, Iowa City and Waterloo, and “lead” counties applying on behalf of the six Disaster Recovery Areas designated by IDEED.
- “*Business*” means a corporation, a professional corporation, a limited liability company, a partnership, a sole proprietorship, or a nonprofit corporation.
- “*Department*” or “*IDEED*” means the Iowa department of economic development.
- “*Flood insurance*” means a flood insurance policy which may include sewer/drain backup and business interruption coverage in the Policy.

## Eligible Business for Flood Insurance Reimbursement

- Business had water in their building as a result of the 2008 natural disaster(s) involving overland flow or sewer backup and/or business is located in the 100-500 year floodplain at the time of application.
- Business is seeking reimbursement for the cost of one year of flood insurance. The flood insurance policy start date must be January 1, 2010 or later.
- Business is open and operating at the time of application.

## Ineligible Business for Flood Insurance Reimbursement Program

- Home based businesses are not eligible

## Duplication of Benefits

- Business has completed and submitted the required Consent and Release Form, Subrogation Agreement, and Duplication of Benefits Affidavit. A business cannot receive assistance for any loss for which financial assistance has already been received from any program, insurance, or other sources.

## Distribution of funds to administrative entities

- Funds will be awarded to administrative entities on a first-come, first served basis, based on amount needed for business applications approved and forwarded to IDEED.
- An administrative entity shall award funds to an eligible business in the form of a grant.
- Reimbursement for a one time, one year of coverage, up to \$30,000 per qualified business. Business provides policy declaration page of insurance policy and proof of payment.

- Applications for funding shall be received by the administrative entity by December 31, 2010
- Funds for this program will be available through June 30, 2012
- Application period may be terminated if funds are not sufficient.

Program administration; reporting requirements

- Each local administrative entity shall enter into a contract with an eligible business to provide assistance under this program. The contract will include terms and conditions that meet the requirements of these guidelines and include provisions requiring repayment if funds are not used in compliance with the program guidelines.
- Each administrative entity will provide oversight and administration to ensure that the recipients of the program funds are meeting the contract requirements. Each administrative entity will collect data and submit reports to the department about the program in the form and content required by IDEED.