Community Rating System

The National Flood Insurance Program's (NFIP's) Community Rating System (CRS) was implemented in 1990 as a voluntary program for recognizing and encouraging community floodplain management activities exceeding the NFIP's minimum standards. Any community that is in full compliance with the NFIP's minimum floodplain management requirements may apply to join the CRS.

1055 COMMUNITIES PARTICIPATE IN CRS

Nearly 3.4 million policyholders in 1,055 communities participate in the CRS by implementing local mitigation, outreach, and educational activities that go well beyond minimum NFIP requirements.

Under the CRS, flood insurance premium rates are discounted to reward community actions meeting the three goals of the CRS, which are: (1) reduce flood losses; (2) facilitate accurate insurance ratings; and (3) promote the awareness of flood insurance.

Although CRS communities represent less than 5 percent of the over 20,300 communities participating in the NFIP, more than 67 percent of all flood insurance policies are written in CRS communities.

CRS CLASSES

Similar to fire insurance, the CRS uses a class rating system to determine flood insurance premium reductions for residents. CRS classes* are rated from 10 to 1. A community that does not apply for the CRS or that does not maintain the minimum number of credit points would be considered a Class 10 community. Today, most communities enter the program at a Class 9 rating, which entitles residents in Special Flood Hazard Areas to a 5-percent discount on their flood insurance premiums.

As a community engages in additional mitigation activities, its NFIP policyholders become eligible for increased premium discounts. Each class improvement produces a 5-percent greater discount on flood insurance premiums, with a Class 1 community receiving the maximum 45-percent premium reduction.

ROSEVILLE: A FIRST CLASS COMMUNITY

In 2006, Roseville, California earned the Nation's first-ever Class 1 designation in the NFIP's CRS. As a result, NFIP policyholders in the community now receive a 45-percent discount on flood insurance premiums while the entire community benefits from being better prepared to prevent, reduce, and recover from flood losses.

Roseville earned its Class 1 rating thanks to public officials' extensive efforts to protect their city. The community implemented numerous mitigation measures, earning it CRS points for 17 of the 18 creditable flood management activities. Some activities included educating residents about flooding, changing zoning rules and/or building regulations, and preserving floodplain open space. Specifically, Roseville initiated a 5-year, $20 million flood control improvement project that included buying out repetitive loss properties, elevating buildings at risk of flooding, and constructing berms and flood walls.

* CRS Class changes occur on May 1st and October 1st of each year. The data contained in this Fact Sheet are current through April 30, 2008.

CRS CREDIT

A community accrues points to improve its CRS class rating and receive increasingly higher discounts. Points are awarded for engaging in any of 18 creditable activities, organized under four categories:

- Public Information
- Mapping and Regulations
- Flood Damage Reduction
- Flood Preparation

Formulas and adjustment factors are used to calculate credit points for each activity.

These communities are among those that have qualified for the greatest premium discounts:

- Class 4 = 1 (Fort Collins, CO)
- Class 3 = 1 (King County, WA)
- Class 2 = 1 (Tulsa, OK)
- Class 1 = 1 (Roseville, CA)

BENEFITS OF THE CRS

Reduced flood insurance rates are only one of the rewards a community receives from participating in the CRS. Other benefits include:

- Citizens and property owners in CRS communities have increased opportunities to learn about risk, evaluate their individual vulnerabilities, and take actions to protect themselves and their homes and businesses.

- CRS floodplain management activities provide enhanced public safety, a reduction in damage to property and public infrastructure, and avoidance of economic disruption and loss.

- Communities can evaluate the effectiveness of their flood programs against a nationally recognized benchmark.

- Technical assistance in designing and implementing some activities is available to community officials at no charge.

- CRS communities have incentives to maintain and improve their flood programs over time.

HOW TO APPLY

To apply for CRS participation, a community submits a *CRS Application* along with documentation that shows that it is implementing the activities for which credit is requested. The application is submitted to the Insurance Services Officer, Inc. (ISO)/CRS Specialist. ISO works on behalf of the Federal Emergency Management Agency (FEMA) and insurance companies to review CRS applications, verify communities' credit points, and perform program improvement tasks.

The community's activities and performance are reviewed during a verification visit. FEMA establishes the credit to be granted and notifies the community, the State, insurance companies, and other appropriate parties.

Each year, the community must verify that it is continuing to perform the activities that are being credited by the CRS. In addition, a community can continue to improve its class rating by engaging in mitigation and outreach activities that earn even more points.

CRS TRAINING

CRS specialists are available to assist community officials in applying to the program and in designing, implementing, and documenting the activities that earn even greater premium discounts. In addition, a week-long CRS course for local officials is offered free at FEMA's Emergency Management Institute (EMI) located on the National Emergency Training Center campus in Emmitsburg, Maryland. State and local workshops and other CRS train-

FOR MORE INFORMATION

A list of resources is available at the CRS website: http://www.fema.gov/nfip/crs.shtm. For information about the CRS or an application, contact the Insurance Services Office by telephone at (317) 848-2898 or by email at nfipcrs@iso.com.

FEMA