FEMA

Fact Sheet

Federal Insurance and Mitigation Administration

Community Rating System

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

1,211 Communities Participate in the CRS

Nearly 3.8 million policyholders in 1,211 communities participate in the CRS by implementing local mitigation, floodplain management, and outreach activities that exceed the minimum NFIP requirements.

Under the CRS, flood insurance premium rates are discounted to reward community actions that meet the three goals of the CRS, which are: (1) reduce flood damage to insurable property; (2) strengthen and support the insurance aspects of the NFIP; and (3) encourage a comprehensive approach to floodplain management.

Although CRS communities represent only 5 percent of the over 21,000 communities participating in the NFIP, more than 67 percent of all flood insurance policies are written in CRS communities.

CRS Classes

The CRS uses a class rating system that is similar to fire insurance rating 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 (SFHAs) to a 5 percent discount on their flood insurance premiums. As a community engages in additional mitigation activities, its residents become eligible for increased NFIP policy premium discounts. Each CRS Class improvement produces a 5 percent greater discount on flood insurance premiums for properties in the SFHA, with a Class 1 community receiving the maximum 45 percent premium reduction.

* CRS class changes occur on May 1 and October 1 of each year. The data contained in this fact sheet were current through May 1, 2012

Best of the Best

Four communities occupy the highest levels of the CRS. Each has developed a floodplain management program tailored to its own particular hazards, character, and goals. Under these programs, each community carries out numerous and varied activities, many of which are credited by the CRS. The average discount in policyholder premiums varies according to a community's CRS class and the average amount of insurance coverage in place. Some highlights:

Roseville, California was the first to reach the highest CRS rating (Class 1). Damaging floods in 1995 spurred Roseville to strengthen and broaden its floodplain management program. Today the City earns points for almost all CRS creditable activities. The average premium discount for policies in the Special Flood Hazard Area (SFHA) is $792.

Comprehensive planning for floodplain management has been a key contributor to **Tulsa, Oklahoma's** progress in reducing flood damage from the dozens of creeks within its jurisdiction. The City (Class 2) has cleared more than 900 buildings from its floodplains. The average premium discount for policies in the SFHA is $514

King County, Washington (Class 2) has preserved more than 100,000 acres of floodplain open space and receives additional CRS credit for maintaining it in a natural state. The average premium discount for policies in the SFHA is $586.

Pierce County, Washington (Class 2) maintains over 80 miles of river levees. County officials annually mail informational brochures to all floodplain residents. The average premium discount for policies in the SFHA is $550.

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.

The communities listed below are among those that have qualified for the greatest premium discounts:

Class 1: Roseville, California

Class 2: Tulsa, Oklahoma
King County, Washington
Pierce County, Washington

Class 4: Fort Collins, Colorado
Skagit County, Washington
Snohomish County, Washington
Charleston County, South Carolina
Sacramento County, California
Maricopa County, Arizona
Jouisville-Jefferson County, Kentucky

Benefits of the CRS

Lower cost 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 action to protect themselves, as well as their homes and businesses.
- CRS floodplain management activities provide enhanced public safety, reduced 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 must initially inform the Federal Emergency Management Agency (FEMA) Regional Office of its interest in applying to the CRS and will eventually submit a CRS application, along with documentation that shows it is implementing the activities for which credit is requested. The application is submitted to the Insurance Services Office, Inc. (ISO)/CRS Specialist. ISO works on behalf of FEMA and insurance companies to review CRS applications, verify communities' credit points, and perform program improvement tasks.

A 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 undertaking new mitigation and floodplain management 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 for free at FEMA's Emergency Management Institute (EMI) located on the National Emergency Training Center campus in Emmitsburg, Maryland, and can be field deployed in interested states.

For More Information

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