



*National Flood Insurance Program*  
**Community Rating System**

A Local Official's Guide to  
Saving Lives

Preventing Property Damage

Reducing the Cost of Flood Insurance

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**FEMA**

## How the Community Rating System Works

Every year, flooding causes hundreds of millions of dollars' worth of damage to homes and businesses around the country. Standard homeowners and commercial property policies do not cover flood losses. So, to meet the need for this vital coverage, the Federal Emergency Management Agency (FEMA) administers the National Flood Insurance Program (NFIP).

The NFIP offers reasonably priced flood insurance in communities that comply with minimum standards for floodplain management.

The NFIP's Community Rating System (CRS) recognizes community efforts beyond those minimum standards by reducing flood insurance premiums for the community's property owners. The CRS is similar to — but separate from — the private insurance industry's programs that grade communities on the effectiveness of their fire suppression and building code enforcement.

CRS discounts on flood insurance premiums range from 5% up to 45%. Those discounts provide an incentive for new flood protection

activities that can help save lives and property in the event of a flood.

To participate in the CRS, your community can choose to undertake some or all of the 19 public information and floodplain management activities described in the *CRS Coordinator's Manual*.

You're probably already doing many of these activities. To get credit, community officials will need to prepare an application documenting the efforts.

The CRS assigns credit points for each activity. Table 2 lists the activities and the possible number of credit points for each one. The table also shows the average number of credit points communities earn for each activity. These averages may give a better indication than the maximums of what your community can expect.

To be eligible for a CRS discount, your community must do Activity 310, Elevation Certificates. If you're a designated repetitive loss community, you must also do Activity 510,





Floodplain Management Planning.  
All other activities are optional.

Based on the total number of points your community earns, the CRS assigns you to one of ten classes. Your discount on flood insurance premiums is based on your class.

For example, if your community earns 4,500 points or more, it qualifies for Class 1, and property owners

in the floodplain get a 45% discount. If your community earns as little as 500 points, it's in Class 9, and property owners in the floodplain get a 5% discount. If a community does not apply or fails to receive at least 500 points, it's in Class 10, and property owners get no discount.

Table 1, below, shows the number of points required for each class and the corresponding discount.

Table 1:

### How much discount property owners in your community can get

Rate Class	Discount		Credit Points Required
	SFHA*	Non-SFHA**	
1	45%	10%	4,500 +
2	40%	10%	4,000 - 4,499
3	35%	10%	3,500 - 3,999
4	30%	10%	3,000 - 3,499
5	25%	10%	2,500 - 2,999
6	20%	10%	2,000 - 2,499
7	15%	5%	1,500 - 1,999
8	10%	5%	1,000 - 1,499
9	5%	5%	500 - 999
10	0%	0%	0 - 499

\* Special Flood Hazard Area

\*\* Preferred Risk Policies are available only in B,C, and X Zones for properties that are shown to have a minimal risk of flood damage. The Preferred Risk Policy does not receive premium rate credits under the CRS because it already has a lower premium than other policies. Although they are in SFHAs, Zones AR and A99 are limited to a 5% discount. Premium reductions are subject to change.

## Extra Credit

Your community can get extra credit for regulating development outside the SFHA to the same standards as development inside the SFHA. Also, if your community faces growth pressures, the mapping and regulation activities in Series 400 receive extra credit. See the *CRS Coordinator's Manual* for full details.

Many communities can qualify for what the CRS calls "uniform minimum credit," based on the activities a state or regional agency implements on behalf of its communities. For example, some states have disclosure laws eligible for credit under Activity 340, Hazard Disclosure. Any community in those states can receive the uniform minimum credit.

Your community may want to consider floodplain management activities not listed in the *CRS Coordinator's Manual*. You should evaluate these activities for their ability to increase public safety, reduce property damage, avoid economic disruption and loss, and protect the environment. In addition, you can request a review of these activities to determine whether they should be eligible for CRS credit. FEMA welcomes innovative ways to prevent or reduce flood damage.

## How to Apply

Participation in the CRS is voluntary. If your community is in full compliance with the rules and regulations of the NFIP, you may apply. There's no application fee, and all CRS publications are free.

Your community's chief executive officer (that is, your mayor, city manager, or other top official) must appoint a CRS coordinator to handle the application work and serve as the liaison between the community and FEMA. The coordinator should know the operations of all departments that deal with floodplain management and public information. And the coordinator should be able to speak for the community's chief executive officer.

The first step in the application process is to get a copy of the CRS Application, which contains all the instructions and procedures you need for preparing and submitting your community's initial application for a CRS classification. The CRS Application includes easy-to-follow worksheets that provide credits for applicable activities. The CRS Application also identifies the documentation you must submit to support the credits you are requesting.

You may also want to order a copy of the *CRS Coordinator's Manual*, which describes the program in full and provides specific information, including eligible activities, required documentation, and resources for assistance.

Your designated CRS coordinator should fill out and submit your application. Help is also available through the contact information below. The CRS will verify the information and arrange for flood insurance premium discounts.

To order CRS publications at no charge, fax the order form on the following page to 201-748-1936, or mail to the address below. You can also e-mail your request to [nfipcrs@iso.com](mailto:nfipcrs@iso.com). Both the CRS Application and the *CRS Coordinator's Manual* are also available at FEMA's CRS Resource Center website — [www.training.fema.gov/emiweb/crs](http://www.training.fema.gov/emiweb/crs).

For more info, write, phone, or fax:

### **NFIP/CRS**

P.O. Box 501016

Indianapolis, IN 46250-1016

Telephone: 317-848-2898

Fax: 201-748-1936

E-mail: [nfipcrs@iso.com](mailto:nfipcrs@iso.com)

## Order Form

**Fax to: 201-748-1936**

Please send me these CRS publications:

No. of Copies	Document
_____	CRS Coordinator's Manual
_____	CRS Application

\_\_\_\_\_

Name

Phone

Title

Street

City

State

ZIP

Community Name  
(if applicable)

NPFP Number  
(if applicable)



## Transcript of "Pocket CRS"

<https://www.youtube.com/watch?v=t5YO2HLJ4Rk>

This is an overview of the Community Rating System, it was developed for communities that participate in the National Flood Insurance Program and are interested in learning about the CRS. More information is available at [crsresources.org](http://crsresources.org).

The CRS is part of the National Flood Insurance Program which is run by FEMA. CRS encourages better floodplain management by reducing flood insurance premiums in communities with programs and standards that are above and beyond the minimum requirements of the NFIP.

The day-to-day work of the CRS is administered by the Insurance Services Office. Your ISO Specialist is the primary person you work with at the community level if you are interested in joining the program.

The program has three goals. The first one is to reduce flood damage to insurable property. The NFIP insures buildings from flood damage, so whatever communities can do to reduce the potential for damage, the CRS wants to support it.

The second goal addresses the insurance aspects. Communities can encourage more people to have a flood insurance policy (so there's a larger policy base) and also help with the flood data that is used to rate buildings.

The third goal is to have a comprehensive floodplain management program at the community level including protection for buildings, but also protection for streets, utilities, and natural floodplain functions.

Activities are organized under four general series of local actions that work toward the three goals of CRS. The first is the public information series that provides credit for activities such as outreach projects that advise people about the flood hazard.

The 400 series provides credit for activities that deal with new development. Credit for mapping the floodplain, for keeping parts of the floodplain undeveloped, and higher building standards.

The 500 series provides credit for what a community does to reduce losses to development that is already there---buying out or elevating flood prone structures, maintaining drainage systems, and comprehensive flood protection plans.

The 600 series is for the emergency manager. These are activities that can be done before, during, and after a flood to minimize property damage and loss of life.

These four series form the framework for 19 specific activities that get credit. Within those 19 activities are 94 individual elements where points are provided for what a community does.

The total number of points determines your class. Every 500 points gets one class improvement. For every class improvement, properties in the Special Flood Hazard Area get a 5% reduction in premiums.

The cost of joining the CRS varies by community. Your community must designate a point of contact between FEMA and ISO, and the various community offices that are implementing creditable activities. Typically, the CRS Coordinator is an extra assignment.

The biggest cost is doing good floodplain management... the things that deserve the credit.

You'll have to maintain records of what you're doing and participate in the recertification and the verification visits. The total cost depends on your community's level of effort.

The number one benefit of the program is that will save your residents money.

Money that would otherwise go to pay higher flood insurance premiums can stay in your community to be spent at local businesses.

Property owners who pay for protection measures with stormwater utilities or property taxes, may see those fees offset by their individual savings on flood insurance.

Communities benefit from better coordination between departments, and the technical assistance that CRS provides for things like stormwater management and planning.

Your residents will be more aware of about flood protection and what your community is doing and there is an incentive to keep the programs going. CRS communities are motivated to maintain these programs because losing the credits might raise the insurance premiums on the residents.

There are six things you need to do or be doing, before you can join. Most importantly you have to be in the NFIP in the regular phase for at least one year... and in full compliance with the minimum criteria which is usually determined by a Community Assistance Visit. These six prerequisites are required to join, and to stay in the program.

There's a lot to do and learn about CRS, and there may be cases where you'd like a little help. We have lots of resources to assist you, but your number one source is your CRS specialist.

There are several websites with more information. Floodsmart.gov is a good resource for a very basic introduction to the program. FEMA.gov also has general information about the program and available training. Go to FEMA.gov and then search for "CRS".

More detailed information, including the CRS Manual and application, can be found at [CRSresources.org](http://CRSresources.org). Here, you can find information on the individual activities and elements.

For training information, including an expanded introduction to the Community Rating System, visit the training section of our website at [CRSresources.org](http://CRSresources.org).