Community Rating System
CRS: Plain and Simple

Bill Lesser, CFM
CRS Program Manager
FIMA Mitigation Directorate

Molly O’Toole, P.E., CFM
Managing Consultant to the CRS

ASFPM ANNUAL NATIONAL CONFERENCE - MAY 21, 2019
CRS: Plain & Simple

- Program status
- New Resources
- On the Horizon
- Simplify
- Your Input
1,506 CRS Communities as of May 1, 2019
10 Year Growth
Where is the CRS Growth?
CRSresources.org
State Participation Maps
Every October
100 Series Page of CRSresources.org
https://crsresources.org/100-2/
This is the temporary location of the CRS Resources website. This site is provided for Community Rating System (CRS) coordinators, webinar participants, and users groups to obtain reference materials related to the CRS. Here you will find CRS documents, worksheets, and tools relevant to the activities credited under the CRS Coordinator’s Manual. Other information regarding the National Flood Insurance Program’s CRS program can be found on the CRS page at the FEMA.gov website.

Use the menu above to find resources organized by CRS Activity.

Download the 2017 CRS Coordinator’s Manual

New communities can click here to find the CRS application and Quick Check.
NFIP/CRS UPDATE

February / March 2019

—More on FEMA’s Moonshot —

Think Again about Flood Insurance

With early, drastic flooding capturing everyone’s attention this spring, communities have an opportunity to emphasize the importance of flood insurance. One message communities can send to their residents is “Think again about flood insurance.” This can encourage people to take another look at what they have that needs protection, get fresh information about their risk and about the coverage available, and/or re-examine their past decisions about flood insurance.

The spring 2019 outlook from the National Oceanic and Atmospheric Administration is for an elevated flood risk for two-thirds of the contiguous United States at least until the end of May. The map shows that there is potential for moderate to major flooding in parts of 25 states. There is no better time to emphasize the fact that people need flood insurance now.

Flood Insurance Myths

Often those who do not have flood insurance have failed to purchase a policy because they are laboring under one or more misimpressions about the availability or expense of a policy. One way to turn this around is to confront those "myths"
Community Rating System

On the Horizon:

- Current Manual (2017) to be used throughout all of 2020
- New Forms in 2020
- Next CRS Coordinator’s Manual in January 2021
- Next, next Manual expected for 2026
Community Rating System

CRS Coordinator's Manual and CRS Forms - Proposed Schedule

1. 2017 CRS Coordinator's Manual: 3 Years per OMB
2. CRS Forms Effective April 1, 2017: 3 years per OMB
3. Extend 2017 CRS Manual Implementation Date: 9 months
4. CRS Forms Effective April 1, 2020: 3 years per OMB
5. 2021 Coordinator's Manual: Years determined by CRS Task Force & FIMA
6. CRS Forms Effective April 1, 2023: 3 years per OMB
7. 2026 Coordinator's Manual
Community Rating System

- Current Manual (2017) to be used throughout all of 2020
  - All verification visits in 2020 will be with the 2017 Manual
- New Forms in 2020
  - Clarifications and updates
  - Recertification based on Manual community was last cycled with (no change)
- Next CRS Coordinator’s Manual in January 2021
  - All CRS communities cycled on the 2021 Manual.
Supporting the FEMA Strategic Plan

- Culture of Preparedness
  1.1 Incentivize investments that reduce risk...
  1.2 Close the insurance gap
- Reduce the Complexity

FEMA Vision: A prepared and resilient Nation.
Community Rating System

- Simplify
- Fairness
- RR 2.0
Subtitle C--Ratings and Incentives for Community Floodplain Management Programs

SEC. 541. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.
Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended--

(1) by striking “After December” and inserting the following:
“(a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.--
“(1) IN GENERAL.-- After December”; and
(2) by adding at the end the following new subsection:

“(b) COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.--
“(1) AUTHORITY AND GOALS.-- The Director shall carry out a community rating system program, under which communities participate voluntarily--
“(A) to provide incentives for measures that reduce the risk of flood or erosion damage that exceed the criteria set forth in section 1361 and evaluate such measures;
“(B) to encourage adoption of more effective measures that protect natural and beneficial floodplain functions;
“(C) to encourage floodplain and erosion management; and
“(D) to promote the reduction of Federal flood insurance losses.

“(2) INCENTIVES.-- The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures that
Community Rating System

Goals:

1. Reduce and avoid flood damage to insurable property
2. Strengthen and support the insurance aspects of the NFIP
3. Foster comprehensive floodplain management
Community Rating System

Other considerations:

- CRS is a voluntary program
- CRS is a rating program (actuarial)
- A community CRS rating results in a direct insurance premium discount
- CRS is revenue neutral
Balancing CRS

- Observing vs. Prescribing
- Accurate scores vs. Level of effort
- Big vs. Small communities
- Coastal vs. Inland
- Savings to the Fund vs. Other benefits
- Loss reduction vs. Loss prevention
- Cost of an activity vs. The impact of an activity
- Policy holders’ $ vs. Community $
- More communities vs. Improved classes
The CRS “Community”

- Community Requests
- State Roles
- Organizations’ Interest

Change vs. You’re Always Changing
National Program vs. Local Implementation
Simplify
- Simple for you?
- Simple for me?
- Modernize

Community Rating System
Community Rating System

- For the 2021 CRS Coordinator’s Manual
  - Retire elements that all communities receive credit
  - Reweight – or redistribute those credits
  - Class 8 Freeboard Prerequisite
  - Substantial Damage
  - Flood risk outside the SFHA
  - ESA
Community Rating System

- Next, next Manual in 2026
- Simplify further
- More on future conditions
  - Sea level rise
  - Urban flooding
  - Watershed development
  - Redevelopment
  - RR2.0
We need your input!

What can we improve?
What are we missing?
What is simple to you?

- E-mail the CRS Task Force Chair (see Newsletters)
- Talk to your State or Region
- Talk to us
- Post cycle visit feedback (ISO)
Exhibit Hall:

- CRS Booth in Exhibits Hall
- CRS On-on-One Room

Wednesday: “Lunch with CRS” (12:20 pm)
NFIP’s Community Rating System

Questions?
Where are the NFIP policies?

Why ask?
- To understand committee motivations.

Goal –
More resiliency.
Support FIMA’s Insurance Moonshot.

### CRS Community PIF Distribution

**December 2017 NFIP Data and May 2018 CRS Data**

<table>
<thead>
<tr>
<th>Policies-in-Force</th>
<th>Number CRS Communities</th>
<th>Total PIF in Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 300,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>150,000 - 300,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>100,000 - 150,000</td>
<td>3</td>
<td>378,245</td>
</tr>
<tr>
<td>50,000 - 100,000</td>
<td>5</td>
<td>365,004</td>
</tr>
<tr>
<td>25,000 - 50,000</td>
<td>16</td>
<td>563,069</td>
</tr>
<tr>
<td>10,000 - 25,000</td>
<td>49</td>
<td>755,965</td>
</tr>
<tr>
<td>5,000 - 10,000</td>
<td>82</td>
<td>573,096</td>
</tr>
<tr>
<td>2,500 - 5,000</td>
<td>126</td>
<td>440,429</td>
</tr>
<tr>
<td>1,000 - 2,500</td>
<td>194</td>
<td>302,094</td>
</tr>
<tr>
<td>500 - 1,000</td>
<td>182</td>
<td>132,899</td>
</tr>
<tr>
<td>250 - 500</td>
<td>211</td>
<td>75,674</td>
</tr>
<tr>
<td>100 - 250</td>
<td>280</td>
<td>47,635</td>
</tr>
<tr>
<td>50 - 100</td>
<td>151</td>
<td>10,922</td>
</tr>
<tr>
<td>10 - 50</td>
<td>153</td>
<td>4,305</td>
</tr>
<tr>
<td>1 - 10</td>
<td>28</td>
<td>135</td>
</tr>
<tr>
<td>zero</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

**Total (May 2018)**

- 1486
- 3,649,472
### Average Policies by CRS Discount

#### Comparison of CRS Communities - By Rank in PIF

<table>
<thead>
<tr>
<th>Rank</th>
<th>Communities</th>
<th>Total Policies</th>
<th>Average No. of Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1%</td>
<td>14</td>
<td>997,234</td>
<td>71,231</td>
</tr>
<tr>
<td>Next 9%</td>
<td>134</td>
<td>1,602,607</td>
<td>11,960</td>
</tr>
<tr>
<td>20%</td>
<td>149</td>
<td>513,444</td>
<td>3,446</td>
</tr>
<tr>
<td>30%</td>
<td>148</td>
<td>235,068</td>
<td>1,588</td>
</tr>
<tr>
<td>40%</td>
<td>149</td>
<td>129,316</td>
<td>868</td>
</tr>
<tr>
<td>50%</td>
<td>149</td>
<td>72,409</td>
<td>486</td>
</tr>
<tr>
<td>60%</td>
<td>148</td>
<td>43,877</td>
<td>296</td>
</tr>
<tr>
<td>70%</td>
<td>149</td>
<td>28,138</td>
<td>189</td>
</tr>
<tr>
<td>80%</td>
<td>149</td>
<td>16,575</td>
<td>111</td>
</tr>
<tr>
<td>90%</td>
<td>148</td>
<td>8,425</td>
<td>57</td>
</tr>
<tr>
<td>100%</td>
<td>149</td>
<td>2,347</td>
<td>16</td>
</tr>
</tbody>
</table>

#### Based on Policies-in-Force as of December 31, 2017

<table>
<thead>
<tr>
<th>Rank</th>
<th>Including</th>
<th>Communities</th>
<th>Total Policies</th>
<th>Average No. of Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 20%</td>
<td>297</td>
<td>3,113,285</td>
<td>10,482</td>
<td></td>
</tr>
<tr>
<td>Next 30%</td>
<td>446</td>
<td>436,793</td>
<td>979</td>
<td></td>
</tr>
<tr>
<td>Bottom 50%</td>
<td>743</td>
<td>3,550,078</td>
<td>4,778</td>
<td></td>
</tr>
<tr>
<td>Bottom 20%</td>
<td>297</td>
<td>10,772</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

#### Average PIF for all CRS communities: 2,456
Percent of Contract in Force (CIF)

CRS and NFIP Policy Contracts
December NFIP policies as of December 2017.

<table>
<thead>
<tr>
<th>Class</th>
<th>CRS Communities in Class as of May 2018</th>
<th>Total Number of Policy Contracts (CIF) in Force for Communities</th>
<th>Percent of All Policies</th>
<th>Percent of All CIF in SFHA</th>
<th>Percent of All CIF Standard X</th>
<th>Percent of All CIF PRP &amp; Newly</th>
<th>Percent of All CIF Other Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>1</td>
<td>395</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.01%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Class 2</td>
<td>6</td>
<td>14,690</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Class 3</td>
<td>3</td>
<td>8,532</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Class 4</td>
<td>5</td>
<td>26,759</td>
<td>0.7%</td>
<td>0.9%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Class 5</td>
<td>136</td>
<td>909,302</td>
<td>22.3%</td>
<td>26.0%</td>
<td>15.1%</td>
<td>20.0%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Class 6</td>
<td>230</td>
<td>570,621</td>
<td>14.0%</td>
<td>15.5%</td>
<td>11.6%</td>
<td>13.2%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Class 7</td>
<td>391</td>
<td>714,617</td>
<td>17.6%</td>
<td>15.5%</td>
<td>16.4%</td>
<td>20.4%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Class 8</td>
<td>472</td>
<td>461,946</td>
<td>11.4%</td>
<td>10.6%</td>
<td>14.3%</td>
<td>11.9%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Class 9</td>
<td>242</td>
<td>112,552</td>
<td>2.8%</td>
<td>2.9%</td>
<td>2.7%</td>
<td>2.3%</td>
<td>9.8%</td>
</tr>
<tr>
<td>All CRS</td>
<td>1,486</td>
<td>2,818,398</td>
<td>69%</td>
<td>72%</td>
<td>61%</td>
<td>69%</td>
<td>52%</td>
</tr>
<tr>
<td>Non-CRS</td>
<td>1,250,346</td>
<td>31%</td>
<td>28%</td>
<td>39%</td>
<td>31%</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,068,742</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
## CRS and NFIP Policy Contracts - Average by CRS Class

**December 2017 NFIP Data and May 2018 CRS Data**

<table>
<thead>
<tr>
<th>Number of CRS Communities as Class as of May 2018</th>
<th>Total Policy Contracts in Force (CIF) as of December 2017</th>
<th>Average Number of CIF in the CRS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>SFHA</td>
</tr>
<tr>
<td>Class 1</td>
<td>1</td>
<td>395</td>
</tr>
<tr>
<td>Class 2</td>
<td>6</td>
<td>13,690</td>
</tr>
<tr>
<td>Class 3</td>
<td>3</td>
<td>8,532</td>
</tr>
<tr>
<td>Class 4</td>
<td>5</td>
<td>26,759</td>
</tr>
<tr>
<td>Class 5</td>
<td>136</td>
<td>909,302</td>
</tr>
<tr>
<td>Class 6</td>
<td>230</td>
<td>570,621</td>
</tr>
<tr>
<td>Class 7</td>
<td>391</td>
<td>714,617</td>
</tr>
<tr>
<td>Class 8</td>
<td>472</td>
<td>461,946</td>
</tr>
<tr>
<td>Class 9</td>
<td>242</td>
<td>112,552</td>
</tr>
<tr>
<td>All CRS</td>
<td>1,486</td>
<td>2,818,398</td>
</tr>
<tr>
<td>Non-CRS</td>
<td>1,250,346</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,068,742</td>
<td></td>
</tr>
</tbody>
</table>
## Insurance Moonshot

### CIS and NIP Policy Contracts

<table>
<thead>
<tr>
<th>Month</th>
<th>Parties</th>
<th>Non-Parties</th>
<th>Total Parties</th>
<th>Non-Parties</th>
<th>Parties %</th>
<th>Non-Parties %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>1,761</td>
<td>96,358</td>
<td>98,120</td>
<td>1,761</td>
<td>17.6%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Feb</td>
<td>461,946</td>
<td>11,481</td>
<td>473,427</td>
<td>461,946</td>
<td>11.4%</td>
<td>98.6%</td>
</tr>
<tr>
<td>Mar</td>
<td>112,552</td>
<td>4,827</td>
<td>117,379</td>
<td>112,552</td>
<td>2.8%</td>
<td>97.2%</td>
</tr>
<tr>
<td>Apr</td>
<td>2,818,398</td>
<td>122,170</td>
<td>2,940,568</td>
<td>2,818,398</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>May</td>
<td>1,250,346</td>
<td>99,937</td>
<td>1,350,283</td>
<td>1,250,346</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>Jun</td>
<td>4,068,742</td>
<td>260,087</td>
<td>4,328,829</td>
<td>4,068,742</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Double Coverage by 2022*
Think Again about Flood Insurance

With early, drastic flooding capturing everyone’s attention this spring, communities have an opportunity to emphasize the importance of flood insurance. One message communities can send to their residents is “Think again about flood insurance.” This can encourage people to take another look at what they have that needs protection, get fresh information about their risk and about the coverage available, and/or re-examine their past decisions about flood insurance.

The spring 2019 outlook from the National Oceanic and Atmospheric Administration is for an elevated flood risk for two-thirds of the contiguous United States at least until the end of May. The map shows that there is potential for moderate to major flooding in parts of 25 states. There is no better time to emphasize the fact that people need flood insurance now.

Flood Insurance Myths

Often those who do not have flood insurance have failed to purchase a policy because they are laboring under one or more misimpressions about the availability or expense of a policy. One way to turn this around is to confront those “myths”
Community Rating System

- Status
- 2017 Manual Extension
- 2021 Manual
- Simplify
- We’d Like Your Input
NFIP’s Community Rating System

Questions?