The National Flood Insurance Program and the Community Rating System

Shannon Hulst, Wetlands Watch
March 26, 2014
What We are Doing with the CRS

- Partnership with VIMS & VCPC (W&M Law School)
- VCPC working with DCR to ensure floodplain ordinances conform with FEMA regs, students producing white papers for rating improvements
- VIMS surveying localities about CRS participation; coastal resource management guidance; mapping
- WW putting together specifics on actions localities can take to earn credit including overlaps between CRS and other programs; outreach
The National Flood Insurance Program
National Flood Insurance Program Debt Grows

Sources: FEMA 2013a; estimate for 2012 NFIP payments for Hurricane Sandy from King 2013; estimate for 2012 NFIP debt based on its borrowing limit of $30.4 billion set by the Hurricane Sandy Relief Act.

© Union of Concerned Scientists 2013; www.ucsusa.org/floodinsurance
Flood Insurance Reform

- Purpose: Financial stability for NFIP
- Creates Reserve Fund
- Gradually phases out subsidies
- Establishes rate increases for all policyholders, but most significant for older, high-risk properties (subsidized properties in Special Flood Hazard Area)
- Allows NFIP to use sea level rise in mapping
SFHAs in Coastal VA

Source: http://www.arcgis.com/home/webmap/viewer.html?useExisting=1
See the Wetlands Watch website for more Biggert-Waters impact maps: http://www.wetlands-watch.org/WetlandScience/SeaLevelRise/FloodInsurance.aspx
See the Wetlands Watch website for more Biggert-Waters impact maps: http://www.wetlandswatch.org/WetlandScience/SeaLevelRise/FloodInsurance.aspx
Community Rating System (CRS)
Community Rating System (CRS)

- NFIP program offers discounts on flood insurance to reward good floodplain management within a community
- Various activities to improve floodplain management and public awareness, earn credit
- Administered by “community” = government division with land use authority
- Resource and time investment for communities
CRS Activity Examples

• Public Information
  – Elevation certificates, outreach, hazard disclosure

• Mapping and Regulations
  – Open space preservation, stormwater management

• Flood Damage Reduction
  – Acquisition/relocation, floodplain management planning

• Warning and Response
  – Flood warning and response, dams, levees
## CRS Rating Table

<table>
<thead>
<tr>
<th>Class</th>
<th>Points</th>
<th>Premium Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4500+</td>
<td>45%</td>
</tr>
<tr>
<td>2</td>
<td>4000-4499</td>
<td>40%</td>
</tr>
<tr>
<td>3</td>
<td>3500-3999</td>
<td>35%</td>
</tr>
<tr>
<td>4</td>
<td>3000-3499</td>
<td>30%</td>
</tr>
<tr>
<td>5</td>
<td>2500-2999</td>
<td>25%</td>
</tr>
<tr>
<td>6</td>
<td>2000-2499</td>
<td>20%</td>
</tr>
<tr>
<td>7</td>
<td>1500-1999</td>
<td>15%</td>
</tr>
<tr>
<td>8</td>
<td>1000-1499</td>
<td>10%</td>
</tr>
<tr>
<td>9</td>
<td>500-999</td>
<td>5%</td>
</tr>
<tr>
<td>10</td>
<td>0-499</td>
<td>0%</td>
</tr>
</tbody>
</table>

**NOTE:** 500 points are necessary to improve by 1 class rating
Minimum Requirements

• 500 credit points
• Regular (not Emergency) Phase of NFIP for 1 year
• Full compliance with minimum NFIP requirements
• Maintain elevation certificates (new construction)
• Meet repetitive loss criteria: info gathering, outreach, mitigation plan
• Flood insurance for community-owned property
• Show LiMWA line on new FIRM s
Virginia and the CRS
CRS Participation in Virginia

Figure 1. State and National Average Points per Activity

CRS Participation in Virginia

Legend

Participating Communities
★ Top 50 Communities based on policy count
- Participate in CRS

Non-Participating Communities
★ Top 50 Communities based on policy count
- Do NOT participate in CRS

Data Source: FEMA, May 2012

Source: Federal Emergency Management Agency
CRS Participation in Virginia

• 22 participating VA communities
• Class 5: City of Alexandria
• New applicants: Isle of Wight and City of Chesapeake
• In 2013, 55,000 policyholders in VA saved nearly $3 million in premium costs
• Uniform Minimum Credit
Detailed Activity Examples
Activities that Earn the Most Credit

• Open space preservation (2,020 points)
• Higher regulatory standards (2,042 points)
• Acquisition and relocation (2,250 points)

• Each activity: 4+ classes, 20% premium discount
CRS and Open Space

- Emphasis on value of natural floodplain functions
- Credit for land preserved in natural state, restored to pre-development natural state, or designated as worthy of preservation for natural benefits, such as habitat conservation plan
- Beaches, ball fields, golf
- Landholding challenges
CRS and Higher Regulatory Standards

- Protect existing and future development and natural floodplain functions
- Building code changes for SFHAs that can include:
  - E.g. restricting/prohibiting development; freeboard
- Incorporating sea level rise into floodplain ordinance
CRS and Acquisition/Relocation

- Credit available for removing insurable buildings from the floodplain
- Emphasis on value of natural floodplain functions
- Opened lands must qualify for open space preservation; get CRS credit for both
CRS and Public Outreach

• Up to 350 points available
• Some outreach mandatory for CRS participation
• Increase awareness of flood hazards, reduce flood damage, encourage insurance participation, protect natural floodplain functions
• Media, publications, public meetings
• Additional credit for having a Program for Public Information (PPI)
What PDCs Can Do

• Encourage member communities to join or improve their rating
• Consider setting up a land conservation entity to fund and/or receive acquired lands
• Organize/create public information and outreach for your region including a multi-jurisdictional PPI
• Host CRS training courses operated by FEMA
• Encourage use of co-benefits (more info to come in the future)
Training Resources

• Web training: [http://crsresources.org/training/](http://crsresources.org/training/)


• FEMA Region 3 CRS Coordinator: Mari Radford, [mari.radford@fema.dhs.gov](mailto:mari.radford@fema.dhs.gov)
Questions?

shannon.hulst@wetlandswatch.org