

# F.E.M.A.'s Community Rating System Program

## Activities For Cheaper Flood Insurance

### What a Community Can Do to Help Citizens in Flood-Prone Areas

Communities obtain better flood insurance rates through the Community Rating System by managing floodplains to a higher standard. FEMA judges this through a point system.

The goals of the Community Rating System (CRS) are to recognize, encourage, and reward, by the use of flood insurance premium adjustments, community and state activities beyond the minimum required by the NFIP that:

- Reduce flood damage to insurable property,
- Strengthen and support the insurance aspects of the NFIP, and
- Encourage a comprehensive approach to floodplain management.

### CRS Activities in Four Groups

The activities that FEMA has determined constitute floodplain management that exceeds the minimum requirements are in four groups, described as follows in FEMA's *CRS Coordinator's Manual*.

- **Public Information (Series 300):** Programs that advise residents and business owners about the flood hazard, flood insurance, and ways to reduce flood damage. These activities also provide data needed by insurance agents for accurate flood insurance rating. They generally serve all members of the community and work toward all three goals of the CRS.
- **Mapping and Regulations (Series 400):** This series credits programs that provide increased protection to new development. These activities include mapping areas not shown on the FIRM, preserving open space, enforcing higher regulatory standards, and managing stormwater. The credit is increased for growing communities. These activities work toward the first and second goals of the CRS, damage reduction and accurate insurance rating.
- **Flood Damage Reduction (Series 500):** Programs for areas in which existing development is at risk. Credit is provided for a comprehensive floodplain management plan, relocating or retrofitting flood-prone structures, and maintaining drainage systems. These activities work toward the first goal of the CRS, damage reduction.
- **Flood Preparedness (Series 600):** Flood warning, levee safety, and dam safety programs. These activities work toward the first and third goals of the CRS, damage reduction and hazard awareness.

### What is it?

The CRS is a program within the [National Flood Insurance Program](#) (NFIP) which creates a financial incentive for communities to lower NFIP flood insurance premiums by "going above and beyond" the minimum requirements for NFIP eligibility. The CRS is a "win-win" program because it reduces a community's vulnerability to floods while reducing the cost of flood insurance premiums for all policy holders in that jurisdiction. The CRS is similar to community fire insurance

ratings and is administered by the same risk management corporation, Insurance Services Office, Inc.

### **How much reduction will I get?**

Every community in the NFIP is automatically enrolled in the CRS with a rating of "10". There is an established number of "points" for activities which are determined to reduce flood damages and increase education. For every 500 points earned, the CRS number for that jurisdiction drops by one. For each one-point drop in the CRS number, the cost of the flood insurance premium for each property owner in the floodplain in that community drops by 5%. For homeowners who own property outside of the floodplain but still maintain a flood insurance premium, the CRS reduction is more modest since their risk is already lower. Community leaders who wish to reduce the cost of flood insurance premiums for their community's NFIP policy holders can do so through the CRS, potentially up to 45% with a "1" ranking. The potential for savings is greatest in communities which have a large number of NFIP premiums and have a comprehensive floodplain management program.

### **Tell me more about the points.**

Points are accrued according to the three primary goals of the CRS: to reduce flood losses, to facilitate accurate insurance ratings, and to promote the awareness of flood insurance. More specifically, points may be awarded for four major categories, or "Series." Within each series there are several general "Activities" which each community may undertake. When it comes to explicit activities the community must undertake for CRS points, those are listed as "Elements" of each activity. There are a maximum number of points for each element and activity. Due to the way points are calculated, it is common for a community to qualify for only a portion of the total possible points. The series and activities are listed as follows:

#### **Series 300 - Public Information**

- ▶Activity 310 - Elevation Certificates (Required)
- ▶Activity 320 - Map Information
- ▶Activity 330 - Outreach Projects
- ▶Activity 340 - Hazard Disclosure
- ▶Activity 350 - Flood Protection Library
- ▶Activity 360 - Flood Protection Assistance

#### **Series 400 - Mapping and Regulations**

- ▶Activity 410 - Additional Flood Data
- ▶Activity 420 - Open Space Preservation
- ▶Activity 430 - Higher Regulatory Standards
- ▶Activity 440 - Flood Data Maintenance
- ▶Activity 450 - Stormwater Management

#### **Series 500 - Flood Damage Reduction**

- ▶Activity 500 - Repetitive Loss Strategy (Required)
- ▶Activity 510 - Floodplain Management Planning
- ▶Activity 520 - Acquisition and Relocation
- ▶Activity 530 - Retrofitting
- ▶Activity 540 - Drainage System Maintenance

## **Series 600 - Flood Preparedness**

- ▶Activity 610 - Flood Warning Program
- ▶Activity 620 - Levee Safety
- ▶Activity 630 - Dam Safety

### **1. Public Information**

Maintain FEMA elevation certificates for all new construction  
Respond to inquiries to identify a property's Flood Insurance Rate Map (FIRM) zone  
Send information about flood hazards, insurance, and protection measures to the public  
Require Real Estate Agents to advise purchasers of flood prone properties  
Maintain flood insurance and protection references at the Public Library  
Provide property owners technical advice on flood protection

### **2. Mapping and Regulatory**

Develop new floodway delineations or other regulatory flood hazard data for an area not mapped in the flood insurance study, or base such data on a higher state or local standard  
Preserve open space by guaranteeing a portion of currently available floodplain will be kept free from development  
Develop higher regulatory standards for freeboard, soil testing, compensatory storage, or zoning  
Develop and maintain computerized flood or property data, base maps and maintain elevation reference marks  
Manage stormwater to ensure post-development runoff is no worse than pre-development runoff.

### **3. Flood Damage Reduction**

Prepare, adopt and implement a comprehensive plan  
Acquire or relocate flood prone buildings  
Document flood proofed or elevated pre-FIRM buildings  
Conduct inspections and maintenance of channels and retention basins

### **4. Flood Preparedness**

Provide early flood warnings and flood response plan to public  
Maintain levees not credited with base flood protection

Staff of the Department of Planning and Zoning are currently looking at more ways to earn points that will work towards lowering the flood insurance premiums of property owners in Ocean City. You presently receive an automatic 15% premium discount on your flood insurance within Town limits. Our goal is to earn you a 20% discount. We welcome your comments and suggestions.

To read more about CRS, please visit the following website:

<http://www.fema.gov/business/nfip/crs.shtm>