

NFIP's Community Rating System (CRS)

NAIC /FEMA Advisory Group

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Agenda

- NFIP/CRS & NAIC Shared Ambitions
- CRS Background & Basics
- NFIP's New Rating Methodology "Risk Rating 2.0 – Equity in Action"
- Information Resources
- State Insurance Commissioners CRS Opportunities



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NFIP/CRS & NAIC's Shared Ambitions



[Regulator](#) [Industry](#) [Consumer](#) [Committees](#) [Resource Center](#) [Insurance Departments](#) [About](#) 

Consumer

Discover tools and resources to help you, as a consumer, understand different types of insurances, claims processes, and practical tips that can better support you at every stage of your life.



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NFIP/CRS & NAIC Shared Ambitions



Regulator Industry Consumer



File a Complaint

Having a problem with an insurance company or agent?

Insurance Advice

- Auto Insurance
- Cybersecurity
- Flood Insurance
- Health Insurance
- Homeowners Insurance
- Life Insurance
- Long-Term Care Insurance
- Military
- Sharing Economy
- Small Business

help you
insurance



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NAIC

“STATE AHEAD STRATEGIC PLAN”

THEME II: Consumer Protection and Education

- **Goal 2:** Ensure that consumer protection keeps pace with changes in the marketplace and consumers have information and education needed for informed decisionmaking.



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NAIC Priority

Climate/Natural Catastrophe Risks and Resiliency

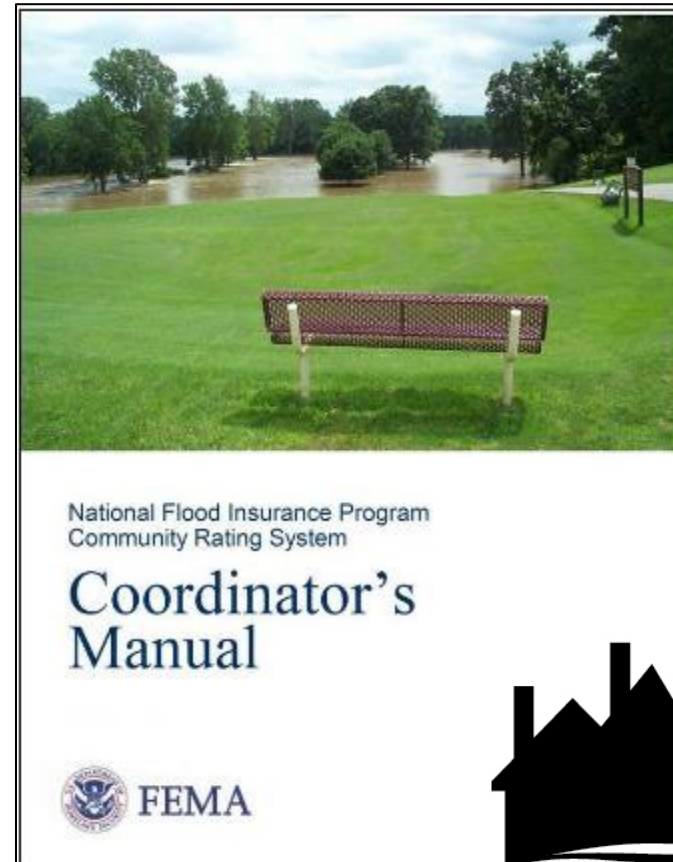
We take an active role in helping states evaluate and review approaches to address climate risks, catastrophe modeling, mitigation, and identify sustainable solutions within the industry.

[Learn More](#) 



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CRS: Background & Basics



CRS Background and Basics

- Created in 1990 (modeled after fire insurance rating)
- Authorized with NFIP Reform Act of 1994
- Voluntary program for NFIP communities
- CRS is a rating program (actuarial)
- A community CRS rating results in a direct insurance premium discount
- Of the 22,500 communities in the NFIP, 1,520 participate in the CRS
- This represents almost 75% of all NFIP policies



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National Flood Insurance Program
Community Rating System

Coordinator's Manual



Goals of the CRS

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



CRS Class	CRS Credit/ Points	NFIP Policy Discount
1	4,500	45%
2	4,000	40%
3	3,500	35%
4	3,000	30%
5	2,500	25%
6	2,000	20%
7	1,500	15%
8	1,000	10%
9	500	5%
10	<500	0%



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Four Series of CRS Activities



CRS Credit for activities that go beyond the requirements of the NFIP

- 300 Public Information
 - 400 Mapping and Regulations
 - 500 Flood Damage Reduction
 - 600 Warning and Response
-
- 19 Activities
 - 94 Elements



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Activity 370 – Flood Insurance Promotion

Objective: Improve flood insurance coverage in the community



- Community role in promoting insurance
- Design to meet local needs
- Work with insurance agents

- Supports the FEMA objective to “Close the Insurance Gap”

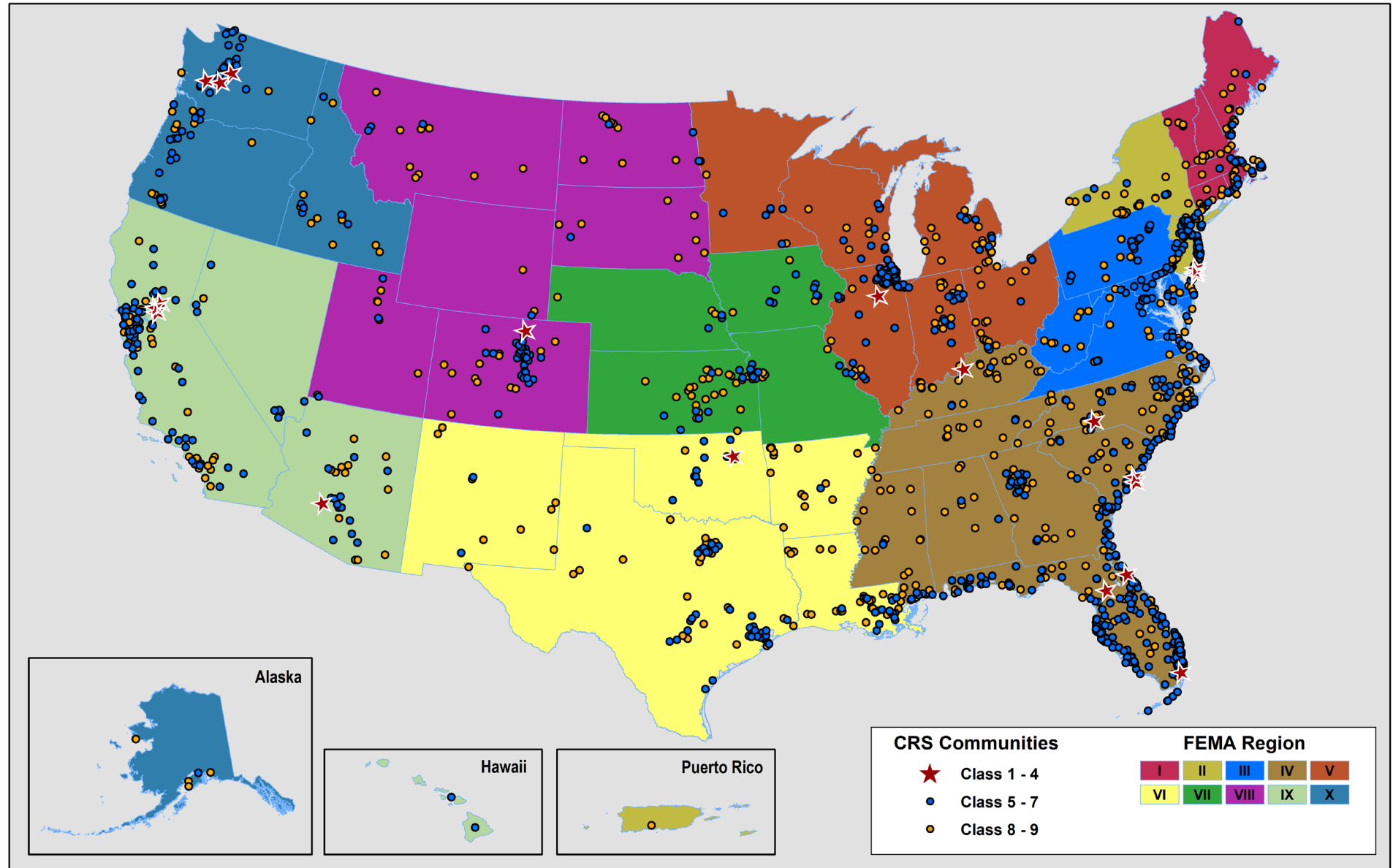


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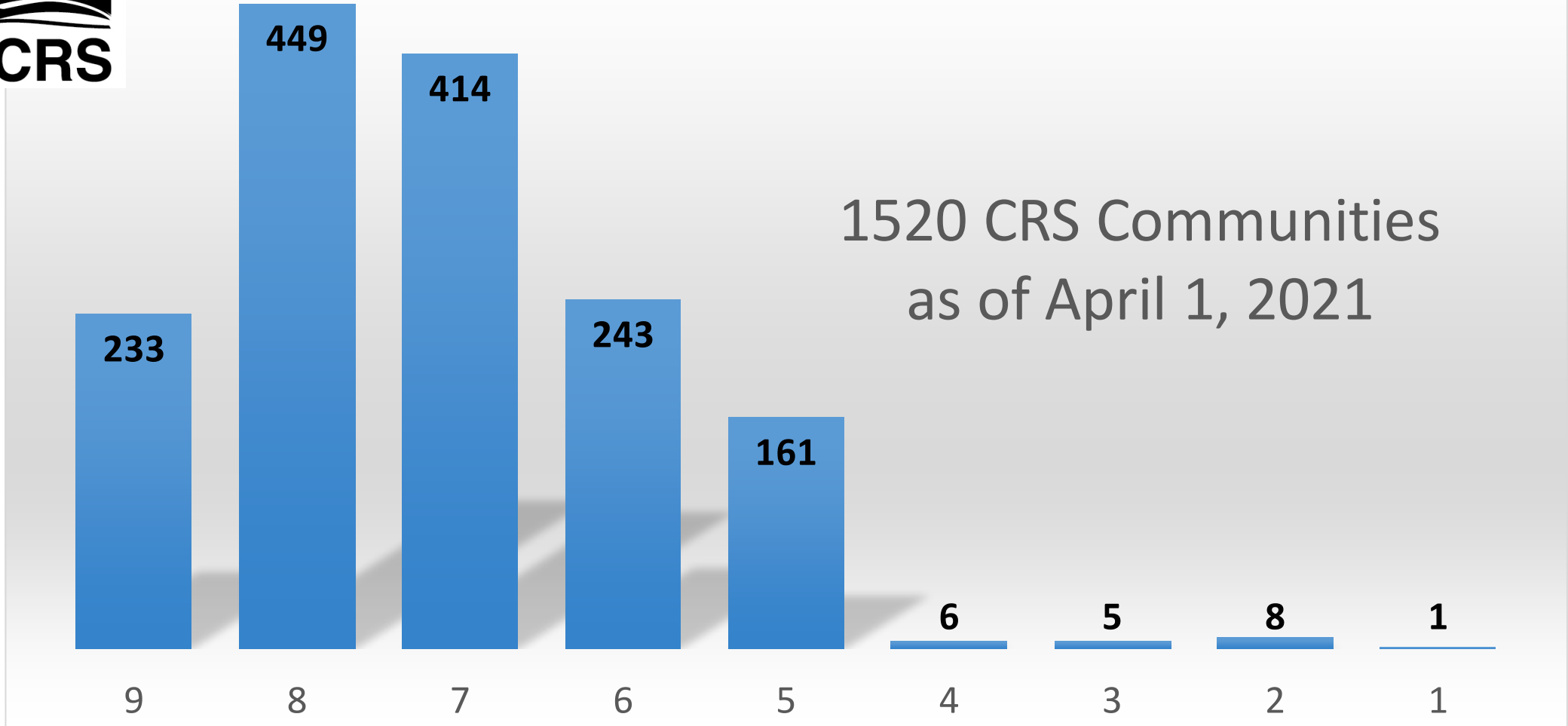


National Flood Insurance Program (NFIP) Community Rating System (CRS)

April 2021



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CRS Class

Risk Rating 2.0: Equity in Action

- April 1, 2022, new rates become effective for ALL policies
- FMI Google “FEMA Risk Rating 2.0: Equity in Action”
- RR2.0 and CRS Communities
 - All policy holders will receive premium discount, not just those in the Special Flood Hazard Area
 - Growth of interest in CRS is likely to leverage more affordable flood insurance
 - New CRS communities
 - Class improvements for existing CRS communities

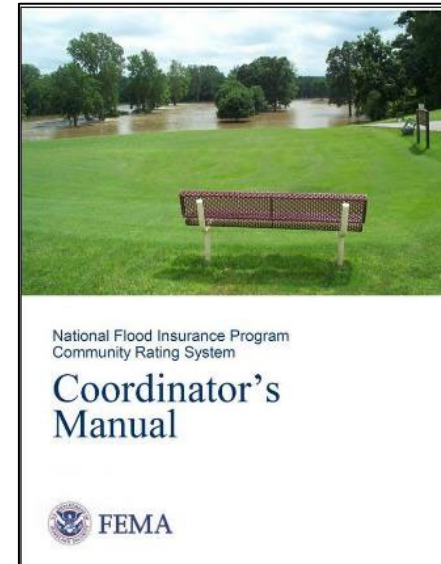


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About the Current CRS Program

Simple...

[FMI](#) Google “FEMA CRS”



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State Insurance Commissioners Opportunities

1. Become informed about CRS participation in your state
2. Connect with the state office of the NFIP State Coordinator
3. Connect with the Association of State Floodplain Managers
4. Develop CRS participation messaging platform for your state



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Thanks!

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