




CRS Redesign

Public Meeting | August 27, 2024



FEMA

Technical Housekeeping

- **Recording** – This public meeting is being recorded. A transcript of this public meeting will become part of the public record. Continued participation on this public meeting constitutes your consent that your name may appear on the official transcript for the record.
- **Captioning** – Live captions are available for this event. Click **Show Captions**  or visit 1CapApp, using link in the chat
- **American Sign Language** – American Sign Language interpretation is available for this event. Click **Interpretations**  then **American Sign Language**.
- **Spanish** – Live spoken language interpretation in Spanish is available for this event. Click **Interpretations**  then **Spanish**.
- **Q&A** – Use the Q&A window to reach out for help with technical difficulties.
- **Chat** – Moderators will use chat to send broadcast messages to all participants.
- **Audio** – Participant microphones are muted by default. When we get to the verbal comment portion of the agenda, individual speakers will be enabled to speak for a limited amount of time and will have to bring themselves off mute to be heard. If you have trouble connecting to the Zoom app, you may dial in by phone. However, due to technical limitations, you may not be able to speak if joining by phone.

Agenda

- Opening Remarks
- Overview of National Flood Insurance Program – Community Rating System (CRS)
- Overview of CRS Redesign
- How to Provide Feedback on CRS
 - Instructions for Submitting Written Comments
 - Verbal Comments
- Closing Remarks



Today's Presenters



Jay LaPlante

FEMA

National Tribal Affairs Advisor



John Graves

FEMA Region 10

Floodplain Management & Insurance
Branch



Shilpa Mulik

FEMA

Floodplain Management Division,
CRS Redesign Program Manager



An aerial photograph of a coastal town, likely in New England, featuring a harbor filled with numerous sailboats and yachts. The town is built on a hillside, with a prominent church steeple visible on the right. The entire image is overlaid with a semi-transparent blue gradient. The text "Opening Remarks" is centered in the left half of the image in a white, sans-serif font.

Opening Remarks



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

What is the Community Rating System (CRS)?

Overview

CRS is an incentive program that recognizes and rewards community floodplain management practices that exceed the minimum requirements of the National Flood Insurance Program (NFIP).

Authorization

First authorized by Congress in 1994

CRS Program Goals

- ❖ Reduce and avoid flood damage to insurable property
- ❖ Strengthen and support the insurance aspects of the National Flood Insurance Program
- ❖ Foster comprehensive floodplain management

How Communities Earn Benefits

- Community activity categories:
- ❖ Public Information (7 activities)
 - ❖ Mapping & Regulations (5 activities)
 - ❖ Flood Damage Reduction (4 activities)
 - ❖ Warning & Response (3 activities)

Flood Insurance Benefits

- ❖ CRS Discounts currently range from 5% to 45% and are calculated based on a community's credit points obtained through various flood risk management activities.



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An aerial photograph of a coastal town, likely Newport, Rhode Island, featuring a harbor filled with numerous sailboats and a dense forest of green trees surrounding the buildings. The image is overlaid with a semi-transparent blue filter. The text "CRS Redesign – Overview" is centered in white, bold font.

CRS Redesign – Overview

CRS Redesign Overview

CRS Redesign is a multi-year effort intended to take a **comprehensive look** at the CRS program, exploring both **incremental improvements** and **bold shifts in approach**. Launched in 2022, the project aims to revamp the CRS programmatic framework, potentially including revisions to the rating system's scoring and operational elements.

CRS Redesign is FEMA's way of analyzing and potentially making changes to the CRS program. This effort encourages the public to provide input on the proposed program redesign.

**FEMA needs
your feedback!**



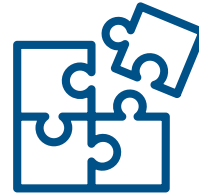
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Why CRS Redesign?



Public and External Feedback

Stakeholder feedback indicated a desire for updates to the CRS program



Alignment with Changes in FEMA

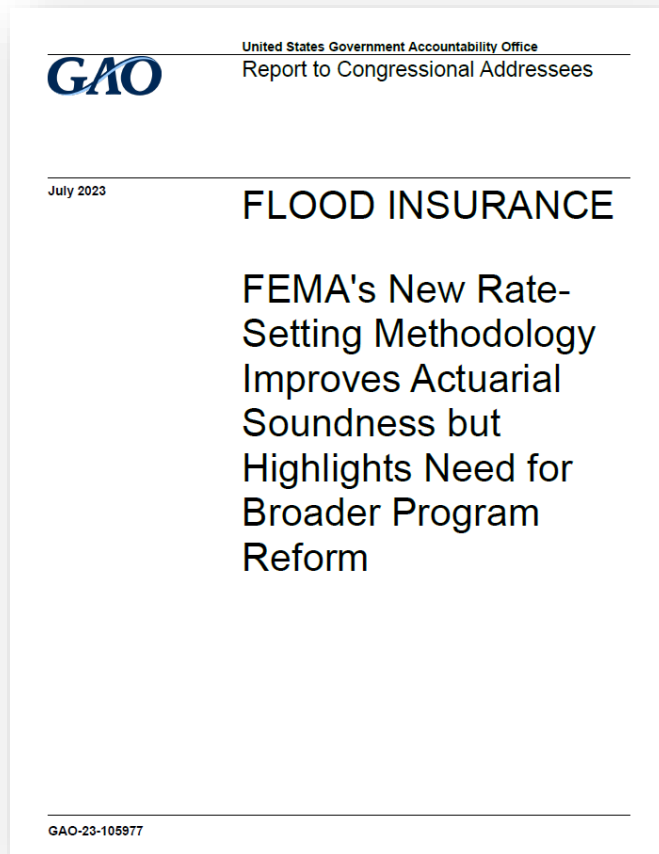
CRS needs to align with larger transformations within FEMA and the NFIP in regards to equity and climate resilience



Oversight Agency Feedback

GAO issued a report providing two recommendations for adjusting CRS activities to reflect actual flood risk reduction

GAO Recommendations



GAO Report: GAO-23-105977

❖ Available at: <https://www.gao.gov/products/GAO-23-105977>

Recommendation #1

❖ Adjust CRS by calculating a community's rating based only on community activities that reduce flood risk and by incorporating discounts into the full-risk premium based on the actuarial evaluation of risk reduction.

Recommendation #2

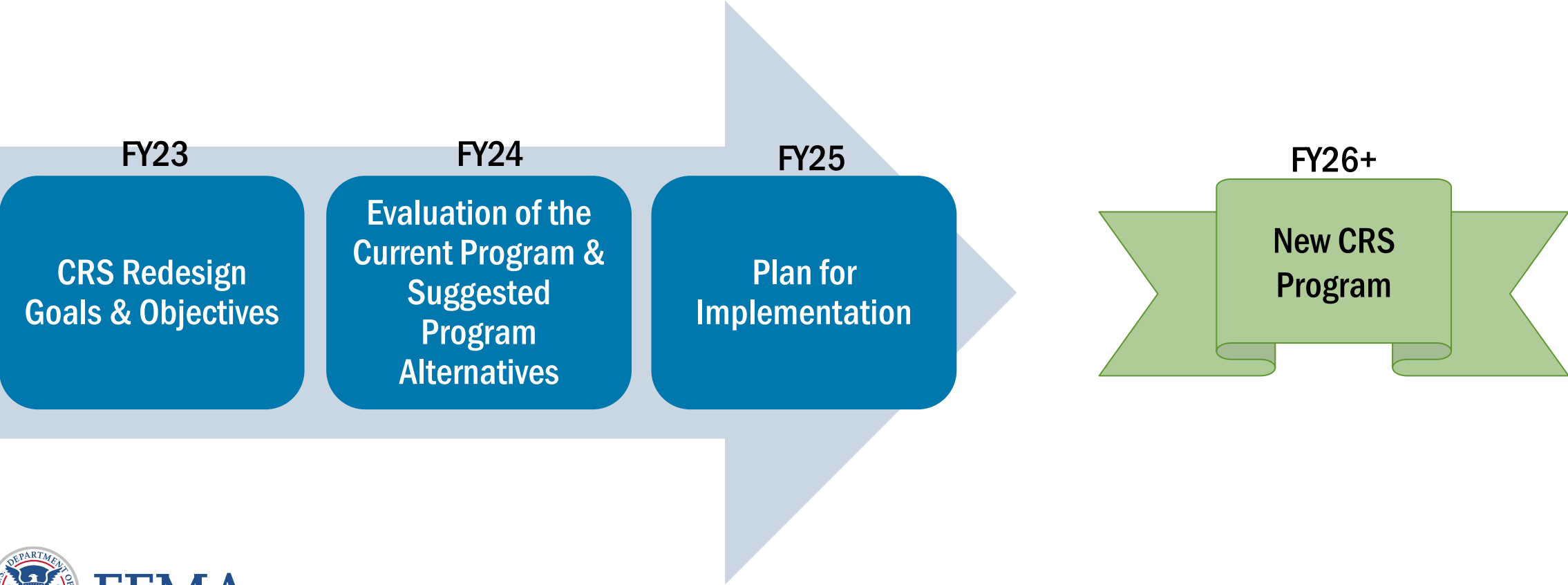
❖ Evaluate other means for incentivizing desirable community activities that cannot be actuarially justified but are currently a basis for discounts in CRS.



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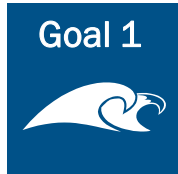
FEMA is following a deliberate and analytical process to redesign CRS.

CRS Redesign is a **multi-year, intentional process**. FEMA is taking the time necessary to ensure the future CRS program is designed based on **rigorous data, evidence, and public input**.



Note: Future timeframes are illustrative and subject to change.

Goals of the Redesigned CRS Program



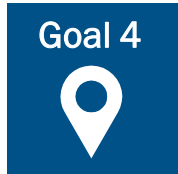
Incentivize communities to take measurable actions and make sustained progress that reduce current and future flood risk



Embed equity as a foundation of the CRS program



Incentivize communities to promote property owners to purchase flood insurance to reduce their financial risk due to flood



Deliver a participant-centered and modernized program



An aerial photograph of a coastal town, likely Newport, Rhode Island, featuring a harbor filled with numerous sailboats. The town is surrounded by dense green trees, and several buildings, including a prominent church with a tall steeple, are visible. The entire image is overlaid with a semi-transparent blue gradient.

How to Provide Feedback on CRS

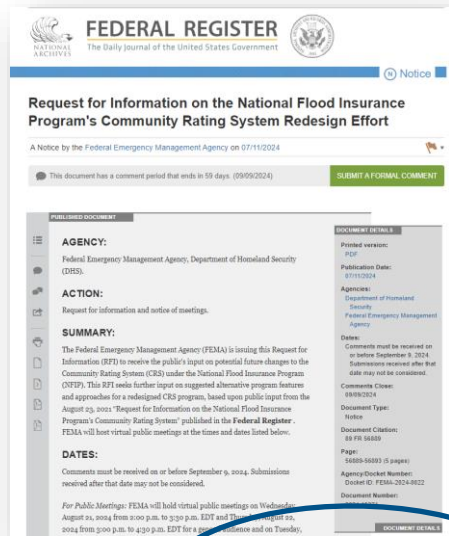
Based on previous stakeholder feedback, FEMA is considering alternative ways the CRS program could be designed.

Stakeholder engagement questions will provide FEMA with further public input on the following potential CRS program features, which are based on previously suggested alternatives to the CRS program:

- ❖ Automatic Enrollment
- ❖ Premium Surcharges
- ❖ Risk-Based Premiums & CRS Discounts
- ❖ Exchanging Individual Benefits for Community Benefits
- ❖ Enhanced Technical Assistance
- ❖ Simplification of CRS
- ❖ Multi-Jurisdiction CRS Participation



Give FEMA your input on suggested CRS program alternatives



FEMA posted a Request for Information (RFI) in the Federal Register on suggested alternatives for CRS.

- ❖ Available at: <https://www.federalregister.gov/d/2024-15271>
- ❖ Docket ID: FEMA-2024-0022
- ❖ Public Comment Period (60 days): July 11, 2024 – September 9, 2024

How to Give Input

- ❖ Submit written comments through Federal eRulemaking Portal*: <https://www.regulations.gov/docket/FEMA-2024-0022>
 - Make sure to include Docket ID: FEMA-2024-0022
- ❖ Provide verbal comments at a public meeting (visit [FEMA.gov/events](https://www.fema.gov/events) for more info):
 - 2 p.m. ET on Wednesday, Aug. 21
 - 3 p.m. ET on Thursday, Aug. 22
 - 3 p.m. ET on Tuesday, Aug. 27 (Tribal Nation focused)



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Note: This Request for Information and comment period is not rulemaking and the Federal eRulemaking Portal is being used only as a mechanism to receive comments

Federal Emergency Management Agency

List of Questions in the Request for Information (1/2)

1. Should FEMA provide each community with a report highlighting potential CRS program credits (often referred to as “points/credits”) that the community could earn to mitigate risk and reduce insurance premiums, explaining strategies on how to receive more points, and flagging NFIP minimum floodplain management standards compliance issues? Why or why not?
2. Should FEMA auto enroll all NFIP participating communities into the CRS program to give the community CRS credit for activities that they already undertake that exceed NFIP minimum floodplain management standards (e.g., community has an open space preservation program to reduce flooding)? Auto enrollment means all communities would automatically participate in CRS by virtue of participating in the NFIP.
3. Would there be any advantage if FEMA were to assess an escalating surcharge on NFIP policy premiums for NFIP participating communities that are not in compliance with the NFIP minimum floodplain management standards? This would be in addition to the NFIP Probation policy surcharge that is in 44 CFR 59.24(b).
4. What are the advantages and/or disadvantages of providing technical assistance to communities to support CRS participation? Would communities take advantage of technical assistance and if so, what type(s) of technical assistance would be most helpful? Examples of suggested technical assistance include assisting communities with the preparation of required CRS documents, CRS project management, CRS program support, and preparation of repetitive loss analysis.
5. FEMA currently offers premium discounts for many CRS activities through the NFIP's current pricing approach. In CRS participating communities, this may lead to policyholders receiving “double” discounts for the same CRS activities (e.g., elevation of individual structure above the NFIP's minimum elevation requirement resulting in a structure level discount through the NFIP's current pricing approach and a CRS credit for a community-wide higher structure elevation regulation).
 - a. If FEMA were to provide NFIP premium discounts to individual policyholders for CRS activities, through the NFIP's current pricing approach, should FEMA offer duplicate CRS discounts for the same activities that are already reflected in individual premiums? Why or why not?
 - b. Assuming no to (a), would communities be incentivized to adopt measures in excess of FEMA's minimum floodplain management standards for community-wide activities that reduce future flood risk (e.g., stormwater management regulations or enhanced future land use planning) if FEMA were to only offer CRS discounts for those community-wide activities that reduce future flood risk? FEMA posted a Request for Information (RFI) in the Federal Register on suggested alternatives for CRS.

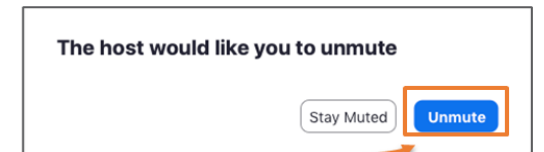
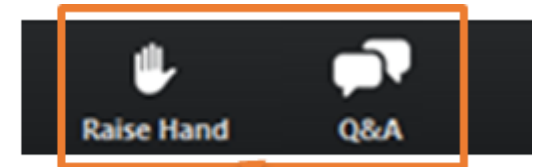


List of Questions in the Request for Information (2/2)

6. Are there additional community-level activities that are not currently included in the CRS program that measurably reduce flood risk to property? Please describe and, if available, provide national-level data that demonstrate how the activities measurably reduce current and/or future flood risk reduction to property.
7. Would a participating CRS community be willing to exchange CRS insurance policyholder premium discounts (e.g., all, some, or none) in a community for other comparable community-level benefits, such as enhanced technical assistance for the local CRS program or capacity-building grants? For example, if the aggregate amount of CRS discounts offered to individuals in the community totals \$100,000, would the community be interested in redistributing the total individual CRS discounts (e.g., \$100,000) among the community and the individual policyholders (e.g., \$50,000 to the community for enhanced technical assistance grants and \$50,000 to be distributed to individual policyholders in the form of CRS discounts)? By redistributing the CRS insurance policyholder premium discount benefits from the policyholders to the community, there would be a potential for both wider risk reduction and larger financial benefit to the community. Would such an approach make non-participating CRS communities more inclined to join the CRS program?
8. Besides individual flood insurance financial premium discounts, what other benefits would best incentivize communities to maintain participation in or to join the CRS program?
9. The current CRS program credits 19 activities and 90+ elements recognized by the CRS program and identified in the CRS Coordinator's Manual along with the credit points assigned to each activity. An activity is a floodplain management activity for which CRS credit has been established (e.g., mapping and regulations—higher regulatory standards). Elements are discrete parts of an activity that if implemented result in CRS credit points under that activity (e.g., community-wide prohibition of outdoor storage in the SFHA, which is an element of the activity of higher regulatory standards). What are some advantages and/or disadvantages of reducing the number of activities and elements, and streamlining CRS reporting requirements?
10. What are the advantages and/or disadvantages of communities working with other communities to implement CRS under a regional approach? For example, a regional approach may include a regional watershed or planning commission that implements a CRS program for multiple communities or a shared CRS coordinator position among several communities.
11. What else should FEMA consider for potential improvements to the CRS program and how can FEMA better engage with stakeholders to effectively implement the CRS program?

Instructions for Verbal Commenters

- ❖ Participants are asked to provide verbal comments for the record
- ❖ Those who indicated interest in providing verbal comments during registration will be offered the opportunity to speak first
 - Each person speaking will be given a limited amount of time to speak
 - If time allows and all registered speakers finish providing verbal comments, participants who have not yet spoken may indicate an interest in speaking by clicking **Raise Hand** and submitting a note to moderators in the Q&A window
- ❖ When it is your turn to provide comment:
 - Please select **Raise Hand** to notify the hosts you are ready to speak.
 - Select Unmute when prompted by the hosts.
 - Hosts will place you back on mute when you have finished speaking at the end of your allotted time.



Thanks!

Remember to submit written comments for the Federal Register Notice
via the Federal eRulemaking Portal at www.regulations.gov.

Use Docket ID: FEMA-2024-0022

Comment Period closes: September 9, 2024

Please send questions to
FEMA-CRS-Redesign@fema.dhs.gov



FEMA