



Tribal Consultation on FEMA’s National Flood Insurance Program, Community Rating System Redesign Framing Paper

October 10 & 16, 2024, 3:00-5:00 pm ET

Introduction

The Federal Emergency Management Agency (FEMA) is exploring the future of the National Flood Insurance Program’s (NFIP) Community Rating System (CRS) with a focus on ways the agency can improve the CRS to:

- Incentivize communities to take measurable actions and make sustained progress that reduces current and future flood risk;
- Embed equity as a foundation of the Community Rating System program;
- Incentivize communities to promote property owners to purchase flood insurance to reduce their financial exposure to flood risk; and
- Deliver a community participant-centered and modernized program.

Background

FEMA is exploring changes and improvements to the [CRS program](#) through a programmatic review and improvement effort (called “CRS Redesign”). With the continuous learning around flood, flood risk management, and flood risk reduction techniques, FEMA now has more information about and understanding of multi-frequency analysis, pluvial flooding, climate change, and the extent of flood risk outside of the SFHA. This new understanding has led FEMA to take a holistic look at the CRS program to determine how the program can best meet FEMA and NFIP consumer needs through the CRS Redesign.

In 1990, FEMA implemented the Community Rating System (CRS) as a voluntary program for recognizing and encouraging community floodplain management activities exceeding the NFIP’s minimum standards for floodplain management (44 CFR Parts 59 and 60). NFIP-participating communities that undertake floodplain management activities exceeding the NFIP’s minimum standards for floodplain management may apply to join the CRS program, and the community will earn CRS program credits (often referred to as “points/credits”) for approved activities exceeding the minimum floodplain management requirements of the NFIP. In [CRS communities](#), credits lead to NFIP flood insurance premium discounts that reflect the reduced flood risk resulting from the community’s higher floodplain management standards or programs. The discounts available under the CRS program range from 5-45% of individual NFIP flood insurance premiums. As of October 2023, approximately 1,500 communities participate in the CRS program nationwide, including one Tribal Nation.

Tribal Consultations

On August 27, 2024, FEMA NFIP’s Floodplain Management Division hosted a tribal-focused public meeting webinar to hear public comments on the CRS Program. Following this public meeting, the NFIP Floodplain Management Division is planning to host two virtual consultations on the CRS, scheduled for Thursday, October 10, 2024, and Wednesday, October 16, 2024.

Please visit FEMA's [Tribal Consultations webpage](#) for more information and how you can register to participate. Tribal Nations can submit their written comments to FEMA-CRS-Redesign@fema.dhs.gov by COB Friday, November 15, 2024.

If you or other Tribal Nations have any questions about these consultations, please reach out to our FEMA Tribal Affairs team at fema-tribal@fema.dhs.gov

Discussion Questions

FEMA seeks tribal input on how the FEMA Community Rating System can better serve your needs. Below are questions for your consideration, not in order of priority and not exclusive. FEMA welcomes broader input on our activities in support of Tribal Nations. For additional background information on the CRS Redesign, please visit the [Request for Information on the CRS Redesign Effort](#) on the Federal Register website.

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?
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?

All consultation materials may be found at www.fema.gov/about/tribes/consultations. The consultation record will remain open for 30 days after the last session for Tribal Nations to submit feedback or comments to FEMA-CRS-Redesign@fema.dhs.gov. Final feedback and comments are due by COB Friday, November 15, 2024.