National Flood Insurance Program and Community Rating System

In a Nutshell

The National Flood Insurance Program (NFIP) offers flood insurance to homeowners, renters and business owners if their community participates in NFIP, implementing NFIP regulations. The Community Rating System (CRS) is a voluntary incentive program that recognizes communities for implementing floodplain management practices that exceed the minimum requirments of NFIP. Both of these programs help encourage communities to implement regulations which keep them safe, make sense finanically, and are friendly to the environment.

The “How To”

National Flood Insurance Program

The National Flood Insurance Program (NFIP) was created by Congress in 1968. NFIP provides a means for property owners to financially protect themselves from flood damage, as long as their community participates in NFIP. NFIP participating communities must meet or exceed FEMA requirements.

Individuals or business in high-risks areas are required to participate in NFIP if they wish to receive a mortgage from a federally regulated or insured lender. High-risk areas are areas with a 1 in 4 chance of flooding over 30 years. Individuals or businesses in moderate-to-low risk areas are not required to have flood insurance. However, flood insurance is highly recommended because anyone can be affected by a flood.

FEMA provides lists of the Missouri and Illinois cities who participate in NFIP. NFIP covers both building and their contents. The Floodsmart webpage provides an excellent “Get Started” page for individuals and communities looking to get started with NFIP. You can also get an estimate of how much your flood insurance would cost. Also, the table of contents for the Flood Insurance Manuel provides easy access to everything you would want to know about NFIP.

Community Rating System

The Community Rating System (CRS) is a voluntary incentive program that encourages communities to implement floodplain management practices that exceed the minimum requirements of NFIP. The incentive to participate in CRS is lower flood insurance premiums on the buildings in the community. CRS has 10 classes or levels. Class 1, being the highest, provides an insurance premium reduction of 45 percent. Class 10 is the lowest class, and that is for nonparticipatory communities. CRS classes are based on completion of 19 creditable activities organized into 4 categories: public information, mapping and regulations, flood damage reduction, and warning and response.

Planning & Zoning

Municipalities create ordinances to bring their communities up to code for NFIP. Here is a model code for

municipalities. As the document states, "before adoption, this model ordinance should be thoroughly studied by community officials, planning commissions, and the community's attorney, as to its adequacy and suitability to the community's needs." If your community has questions, please contact Dale Schmutzler, CFM. Dale is the Floodplain Management Officer at Missouri's State Emergency Management Agency (SEMA). Dale can be reached at (573) 526-9135 or at Dale.Schmutzler@sema.dps.mo.gov.

For communities wanting to become a part of CRS, they must do more than the minimum requirements set by NFIP. Communities can undertake various activities to move higher up on the Community Rating System. The activities are divided into four broad categories: Public Information, Mapping and Regulations, Flood Damage Reduction, and Warning and Response. When communities document that they have undertaken a given activity, they are awarded points. As they earn more points, they move up in the class rating system.

Dollars & Cents

Costs for implementing both NFIP and CRS are determined by several different variables. These include, but are not limited to, the size of a community, the location and geographic layout a community finds itself in, and the local costs of construction. The links provided in the other tabs explain how a community can implement these programs.

One manner in which these programs differ is that communities can spend as much or as little as they would like on CRS related activities. By spending more, a community, and its citizens and businesses, can expect a lower insurance premium on their flood insurance.

Participating in NFIP does help communities and the people in them. In the aftermath of the 1993 flood, NFIP paid out $272,819,515, at an average of $26,052 per claim. This is money that can help you and your community get back on their feet if you were to be hit by a massive flood.

Measuring Success

OneSTL tracks a metric called Floodplain Management, measured by the number of local governments participating in the Community Rating System. The 2010 baseline for that number was 1. The desired trend is for that number to go up.

Case Studies

Roxana, Illinois Community Rating System

Contact

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Address

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Description

The Village of Roxana performed an extensive evaluation of areas within the village that are within the flood plain. Due to its efforts for evaluating its floodplain and its adherence to federal flood regulations, residents of the Village of Roxana are able to receive a 10% discout on their flood insurance premiums. Other aspects of the Roxana Community Rating System program include annually reminding home owners who live in designated flood plains that the Village has detailed information about regulated activities within flood plain areas within Roxana. The Village also works with homeowners in order to ensure the most appropriate and proper techniques are utilized for construction within the flood plains. Finally, the Village will assist homeowners with determining the elevation of their property for any proposed new developments in order to ensure that the property is above the 100 year flood plain elevation. More information on flood plain management in addition to stormwater management in the Village of Roxana can be found here.

Tulsa, Oklahoma Community Rating System

Contact

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918-749-2696

Description

Tulsa, Oklahoma takes advantage of nearly all of the activities for which the city can receive Community Rating System program grants credit. Due to Oklahoma state law, direct flood protection aid cannot be provided to homeowners. Oklahoma's comprehensive flood control program takes an emphasis on the acquisition of flood-prone properties and also on the preservation of open space within the floodplain. Through its acquisition program, Oklahoma has reduced the number of buildings in its floodplains by more than 900.

Cost

The city of Tulsa, Oklahoma has utilized multiple sources of funding for the project. External funding sources include the U.S. Army Corps of Engineers and also the Federal Emergency Management Agency. Internal state funding came from stormwater taxes and fees. The city has spent more than $200 million since 1990 with approximately $300 million in projects planned for the coming decades.

Tulsa residents receive discounts on flood insurance premiums as a result of their community's involvement in the Community Rating System program. Due to the city's Class 2 rating, residents receive a 40% discount on their premiums within the 100 year floodplain. Outside of the 100 year floodplain, residents receive a 10% discount.