



NFIP/CRS UPDATE

June—July 2010

Goals of CRS Strategic Plan being Realized Some In-stream Products can be seen Now

Among the many projects being undertaken to pursue the objectives and strategies set out in the *Strategic Plan for the Community Rating System, 2008-2013*, the systematic evaluation of all CRS-credited activities is perhaps of most interest to CRS communities. At least one activity is being evaluated each year, and now the first batch of reports is ready.

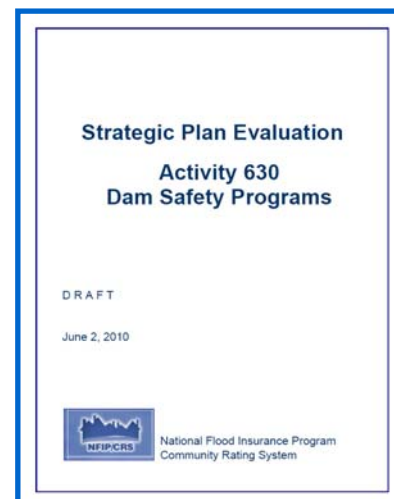
Each report explains the original purpose of the activity, the methods used to evaluate it, what issues have arisen since the specifications and credits were last revised, and what changes (if any) are proposed to the prerequisites, elements, credit points, verification, and/or documentation.

In addition to the activity evaluations, a review of some aspects of the procedures used to verify community credit points has been completed, in particular the ways in which items (such as buildings or elevation certificates) are selected from a larger pool to be checked for accuracy.

These Strategic Plan Evaluation reports are ready in draft form now:

- Activity 330—Outreach Projects
- Activity 350—Flood Protection Information
- Activity 610—Flood Warning Program
- Activity 630—Dam Safety Programs
- CRS Credit for Protecting Natural Floodplain Functions
- Repetitive Loss Strategy
- Sampling Committee Report to the CRS Task Force
- Verification Aids
- Best Local CRS Administration Practices
- Implementation Incentives.

Communities, states, and other floodplain management professionals are invited to examine these reports and make suggestions about their content and about the recommended changes in credit points included in some of the reports. Get a digital (pdf) copy of any report by emailing NFIPCRS@iso.com. Responses received by August 31, 2010, will be considered at the September CRS Task Force meeting, but ideas will be accepted any time this fall, as changes to the next *CRS Coordinator's Manual* are formulated.



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Help on Coastal A Zone Credit

One of the Community Rating System’s handouts, *CRS Credit for Coastal A Zone Regulations*, has just been revised. It explains the credit points that are available to communities that regulate their Coastal A Zones to V-Zone standards (Section 431.p of the *CRS Coordinator’s Manual*).

The term “Coastal A Zone” refers to the portion of a Special Flood Hazard Area (SFHA) lying landward of the V Zone and seaward of the line known as the Limit of Moderate Wave Action (LiMWA), which is shown on new coastal Flood Insurance Rate Maps (FIRMs) as an information layer. Coastal A Zones were established because post-storm research shows that the flood hazards (and accompanying building damage) in Coastal A Zones more closely resemble those in V Zones than those in riverine A Zones.



Post-storm field studies have shown that minimally compliant A Zone foundations often fail in Coastal A Zones.

(photo taken after Hurricane Fran)

However, the National Flood Insurance Program’s standards for Coastal A Zones are identical to those for riverine A Zones. In recognition of this contradiction, the CRS offers credit points to local governments that enforce NFIP V-Zone standards in the Coastal A Zones of their jurisdictions.

- Up to 225 CRS credit points are available for regulations in Coastal A Zones that
 - Require new buildings to be placed on pile or column foundations;
 - Require the foundation and structure to be attached to resist wind and water loads;
 - Require areas below the lowest floor be free of obstructions; and
 - Prohibit use of fill for structural support.
- Up to 125 CRS credit points are provided if the community requires that a new building’s design, specifications, and plans be certified by a licensed engineer or architect that it will resist flotation, collapse, and lateral movement from wind and hydrostatic loads.
- Up to 100 CRS credit points are available to communities that use the bottom of the lowest horizontal structural member of the building as the elevation reference point within its Coastal A Zone.
- Up to 25 CRS credit points are available to communities that require new buildings in the Coastal A Zone to be located landward of the reach of mean high tide.
- Up to 25 CRS credit points are available to local governments that prohibit the alteration of sand dunes or mangrove stands within Coastal A Zones.
- Up to 150 CRS credit points are available if all enclosures below the base flood elevation are prohibited in Coastal A Zones; 50 points are provided if enclosures are allowed but limited to 299 square feet in area. (This is in addition to the 300 points provided for enclosure regulations under Section 430.h of the *CRS Coordinator’s Manual*).

Credit points are subject to a default impact adjustment of 0.5, although more credit can be earned for enforcing CAZ regulations in a larger area.

Copies of the 6-page handout, *CRS Credit for Areas with Moderate Wave Action and Coastal A Zones*, can be obtained from your ISO/CRS Specialist or by emailing NFIPCRS@iso.com.

Guides for Substantial Improvement/Damage

Community floodplain managers and code officials who handle proposals to do work on existing buildings in Special Flood Hazard Areas should add FEMA's new *Substantial Improvement/Substantial Damage Desk Reference* to their book shelves. And those who cope with making substantial damage determinations, especially after floods (or other events) that damage large numbers of buildings, should check out the revised *Substantial Damage Estimator*. Both are available online:

Substantial Improvement / Substantial Damage Desk Reference
(FEMA P-758) <http://www.fema.gov/library/viewRecord.do?id=4160>.

Substantial Damage Estimator (includes a user's manual, workbook, and the software) (FEMA P-784)
<http://www.fema.gov/library/viewRecord.do?id=4166>.



Volunteer Communities Needed for Public Outreach

As part of the review and revisions of Community Rating System activities for public awareness and outreach projects, some pilot tests will be conducted this fall of the proposed new *Coordinator's Manual* criteria and scoring for Activities 320, 330, 340, 350, and 360. Some volunteer communities are needed to help test-drive the new materials this fall, including trying out a new "self assessment" of the community's special outreach needs; formulating a master plan for publicity, awareness, and outreach; and related steps still to be determined.

As a bonus, any community that participates in the full pilot test will receive OPS credit under the existing Activity 330 scoring system. Also, all participants will have a head start on receiving credit when the new scoring becomes effective.

If you and your community can help test-drive the new approach to outreach projects, please contact your ISO/CRS Specialist.

Statement of Purpose

The *NFIP/CRS Update* is a publication of the National Flood Insurance Program's Community Rating System. Its purpose is to provide local officials and others interested in the CRS with news they can use.

The *NFIP/CRS Update* is produced in alternate months. It is distributed electronically, at no cost, to local and state officials, consultants, and others who want to be on the mailing list. Communities are encouraged to copy and/or circulate the *NFIP/CRS Update* and to reprint its articles in their own local, state, or regional newsletters. No special permission is needed.

To become a subscriber or to suggest a topic that you would like addressed, contact

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Good Press for South Carolina CRS Communities

One sometimes-overlooked benefit of participating in the Community Rating System is the recognition a community receives when its floodplain management efforts are known to be exemplary. That's why it's a good idea for local CRS Coordinators to keep their city's or county's Public Information Officer (PIO) in the loop about new activities in furtherance of CRS goals and about plans to improve in CRS class. If your locality doesn't have a PIO, you can supply local and/or statewide media with information about your program's accomplishments directly. You can reach out to newspapers, radio and television stations, and even webmasters.

As an example, some articles in Charleston, South Carolina's *The Post and Courier* announced the news that class improvements had been achieved or were in prospect, gave pats on the back to the state's CRS communities for their work; explained how they compare to the rest of the nation; noted with approval the rate reductions received by residents; and praised the way in which the local programs' regulations, codes, and enforcement are being good for the community.

A June 16, 2010, article by Katy Stech announced that Charleston County had risen to a CRS Class 4, effective May 1, 2010, which brings a 30% reduction in annual premiums for flood insurance policies. That will save the almost 22,000 flood-insured residents in unincorporated areas of the County an estimated \$4.5 million each year.

"We're quite proud of it," the article quoted Carl Simmons, the County's director of building inspection services. "The bottom line is, how well you enforce the regulations has a direct relationship to how much damage a building will get if there's a disaster." Further, Simmons said, his department's performance improved despite a shrinking budget and fewer staffers.

"Only four communities throughout the country top Charleston County's rating. And the County holds the highest ranking in the coastal Atlantic hurricane region," *The Post and Courier* noted. The article is posted at <http://www.postandcourier.com/news/2010/jun/16/rating-to-lower-flood-insurance-bills-in-county/>.

A few years ago, the paper described the plans of Mount Pleasant (an incorporated area near Charleston) to educate its residents about flood insurance as part of achieving a higher CRS class. Here are excerpts from that August 1, 2007 article by Jill Coley:

Standard property insurance policies do not cover flood losses, said town Floodplain Manager Rob Rogerson. "All the Lowcountry is subject to flooding, even areas not specially designated flood areas," he said. "Most everybody should have flood insurance."

Two types of flooding occur in Mount Pleasant. One is when heavy downpours overwhelm the storm drainage system. The second type is rising water from tropical storms.

Presently, Mount Pleasant is rated an 8 in the Community Rating System. For each point lower than 10, residents earn 5% more off their insurance premiums.

"Were working to submit in September for a rating of 7," Rogerson said.

The article ended with eight quick tips for flood safety. [Note that Mount Pleasant did achieve its Class 7 ranking in 2008.] Read the whole article at <http://archives.postandcourier.com/archive/arch07/0807/arc08014858229.shtml>.

Preferred Risk Policy Eligibility Extended

The National Flood Insurance Program (NFIP) has been engaged in initiatives (MapMod, RiskMAP, and the provisionally accredited levee program) to remap areas of the United States, especially those subject to a high risk of flooding. Concerns have been raised about the implications of remapping, especially the requirement to purchase flood insurance imposed by federally regulated lenders on those with mortgages for buildings newly included in Special Flood Hazard Areas (SFHAs) on the revised maps. The primary concern involves the cost of the flood insurance.

In light of these concerns, and based on financial and other analyses, the NFIP is implementing a measure to help ease the burden on affected property owners. With this change, property owners should have adequate time to understand and plan for the implications of the newly communicated flood risk and the mandatory flood insurance purchase requirement for federally backed mortgages.

Preferred Risk Policy Eligibility Extension

For preferred risk policies (PRP) effective on or after January 1, 2011, FEMA is extending eligibility for two policy years after the effective date of a map change for buildings newly included in SFHAs. The following conditions apply for the extended eligibility.

- Buildings that were newly designated within an SFHA due to a map revision on or after October 1, 2008, and before January 1, 2011, are eligible for a PRP for two policy years. Property owners affected by these previous map revisions will be eligible for the PRP for the two policy years effective between January 1, 2011, and December 31, 2012.
- Buildings newly designated within an SFHA due to a map revision on or after January 1, 2011, will be eligible for a PRP for two policy years from the effective date of the map revision.

Buildings that meet the above requirements must also meet the PRP loss-history requirements. If there are two claims or disaster relief payments for flood losses of \$1,000 or more, or three loss payments of any amount, the structure is ineligible for the PRP.

Policies issued as standard-rated policies or converted to standard-rated policies after a map change on or after October 1, 2008, may be converted to the PRP for two years beginning on the first renewal effective on or after January 1, 2011. At the end of the extended eligibility period, policies on these buildings must be written as standard-rated policies.

Underwriting Requirements

Validating PRP extended eligibility will require the insurance company's writing a policy to verify the current and previous flood maps and maintain documentation of the building's flood risk zone before and after the map change. Digital Flood Insurance Rate Maps (DFIRMs) are available for many communities on the internet and, in some cases, historic map information is also available. DFIRMs are at the FEMA Map Service Center at <http://www.msc.fema.gov>. Insurance writing companies must provide advance notice to the current policyholders that are now eligible for this two-year PRP extension within 90 days before the policy expiration date.

Policyholders may contact their local permitting officials or CRS Coordinators for help in documenting the flood risk zone of their buildings. Local floodplain managers should be aware of and anticipate these inquiries in advance of January 1, 2011. Providing this mapping information assistance is consistent with CRS Activity 320, Map Information Service. Future issues of the *NFIP/CRS Update* will provide more information about the new PRP guidelines.

State Farm and the National Flood Insurance Program

There have been several notices in the press lately that State Farm Fire and Casualty Company is “pulling out of the flood insurance business.” Considering that the company has 800,000 flood insurance policies, many local officials must be wondering what is really going on.

In a press release issued in June, State Farm explains that, under a new arrangement with the National Flood Insurance Program (NFIP), State Farm will be transferring its customers’ flood policies to NFIP Direct, a program established by FEMA for direct servicing. State Farm agents will continue to sell coverage through NFIP Direct and service existing customers whose policies transfer to NFIP Direct. However, State Farm Fire and Casualty Company will not be servicing those policies. Servicing will be handled instead by FEMA and government-designated claims adjusters. The paragraphs below are excerpts from State Farm’s press release.

No Change for Customers

For State Farm flood insurance customers, this means no change in who is providing the coverage. Flood coverage will continue to be provided by the federal government and customers can still be assisted by State Farm agents in acquiring the federal insurance. The only change going forward will be that policy applications and flood claims will no longer be overseen by State Farm.

Time for Transition

The transfer process will take place over a 12-month period beginning October 1, 2010. The company will work closely with FEMA and NFIP Direct to ensure an orderly transfer of policies and responsibilities under the program.

Flood policyholders will be sent notices of transfer at least 90 days before their policy’s expiration date. State Farm flood policyholders will not have to complete a new application for continued coverage. State Farm will still service policies issued or renewed before October 1, 2010, until their next expiration date. The company will continue to handle claims occurring before the policies transfer, until April 2012.

Change Provides More Clarity

Since 2002, there have been 11 last-minute reauthorizations of the NFIP, and on four occasions the program was allowed to lapse for extended periods of time. These “stop/start” situations require a large company like State Farm to dedicate significant resources to address challenges and coordinate numerous communications with customers, employees, and its more than 17,000 agents.

“Under this new process, while State Farm agents can continue to sell flood insurance, the government entity that’s running the program will now handle servicing it. This kind of clarity should be best for all involved—especially policyholders,” said State Farm spokesperson Phil Supple.

Coordinator’s Manual and Activity Worksheets still Good

Some CRS Coordinators have noticed that the current *Coordinator’s Manual* and its accompanying Activity Worksheets (AWs) have an Office of Management and Budget (OMB) expiration date of August 31, 2010 (the end of this month). Even so, the *Manual* and all the AWs are still valid and can be used until they are replaced by the next (2012) edition.

Tidbits from the CRS Task Force

At its June meeting in Milwaukee, Wisconsin, the Community Rating System Task Force discussed several items important to the future of CRS communities.

- The Task Force is now about 25% along in implementing the CRS Strategic Plan. Many substantive elements of the plan have been initiated and some completed (see article on the cover page of this issue). Seventeen committees or workgroups are focusing on specific topics of the Strategic Plan. Eight independent studies—most managed by academic institutions—are underway.
- As of May 2010, 1,138 communities participate in the CRS. There were an unprecedented number of class improvements during fiscal year 2010. Thirty-three communities joined the CRS in 2010, but 97 communities advanced in class, and 34 of those went to Class 6 or better.
- During a presentation by the Activity 330 Outreach Committee, much time was spent considering whether communities should play stronger roles in promoting flood insurance. The flood recovery benefits and resiliency of a community with many policies in force was weighed against the popular conception of promotion of flood insurance as a matter between a property owner and his/her agent.
- The Natural Functions Committee emphasized the need to recognize low-impact development and other innovative approaches in managing stormwater.
- The Sampling Committee produced interesting and original work challenging the Task Force to look at how the CRS chooses statistically representative samples and the confidence level of that process. The new Verification Committee will look at the practical implications of the sampling report
- Due to the complex nature of addressing repetitive flood losses within CRS and the National Flood Insurance Program, the Task Force decided to make the Repetitive Loss Committee a permanent one, to maintain a constant focus on these problems.

Dave Fowler, Milwaukee Metropolitan Sewerage District, took the Task Force on a tour of several Menomonee River restoration projects. Some of the techniques used there are similar to approaches the Natural Functions Committee and Task Force are considering for future CRS credits.

The CRS Task Force meets next in September in Seattle, Washington.

CRS Recertifications Due Soon

October is the annual recertification deadline for the Community Rating System. In August, ISO/CRS Specialists send each community a detailed list of the activities for which they are receiving CRS credit. Some of the more common trouble spots for communities are

- Annual reports, including those done for a public information program strategy (OPS, Activity 330) and a mitigation or floodplain management plan (Activity 510).
- Under Activity 330 (Outreach Projects), copies of all the projects sent out during the year, including additional projects (OPA), projects done pursuant to a public information program strategy (OPS), and a project to the repetitive loss area (Section 503 of the *Coordinator's Manual*).
- Reports from the local emergency manager on the annual exercise or drill of the emergency response plan, lessons learned from implementing the plan in response to an emergency or disaster, and the updated list of critical facilities affected by flooding (Activity 610).

Opportunities for NFIP and CRS Training

Courses at the Emergency Management Institute—Next Year’s Schedule Now Available

FEMA’s Emergency Management Institute (EMI) conducts courses on floodplain management and CRS-related topics. These are oriented to local building, zoning, planning, and engineering officials. Tuition is free for state and local government officials and travel stipends are available. Call the training office of your state emergency management agency, see <http://training.fema.gov/>, or call EMI at 1-800-238-3358 or (301) 447-1035.

Here’s the schedule for EMI’s week-long classes of interest to CRS communities. For more information on these courses, see <http://www.training.fema.gov/EMICourses/EMICourse.asp>.

- **The Community Rating System (E278)** November 8–11, 2010; September 26–29, 2011
Prerequisite: To enroll in the CRS course, you must be a Certified Floodplain Manager (CFM) OR have completed the National Flood Insurance Program course listed below (E273) OR be a full-time floodplain manager with more than 3 years of experience specifically related to floodplain management.

The Community Rating System course is also offered at other sites upon request.
“Field-deployed” courses scheduled to date include
 - Montour Falls, New York (FEMA Region 2); September 27–30, 2010. For information, contact William Nechamen, wsnecham@gw.dec.state.ny.us.
 - Stockton, California (FEMA Region 9); October 25–28, 2010. For information email Eric Elias at eric.elias@ci.stockton.ca.us.
- **Managing Floodplain Development through the NFIP (E273)** August 23–26, 2010; October 11–14; May 16–19, 2011; August 29—September 1, 2011
E273 is also field deployed periodically. Contact your State NFIP Coordinator for more information. Find your State Coordinator at <http://www.floods.org/index.asp?menuID=274>.
- **Advanced Floodplain Management Concepts (E194)** February 14–17, 2011
- **Advanced Floodplain Management Concepts II (E282)** May 9–12, 2011
- **Basic HAZUS Multi-Hazards (E313)** October 11–14, 2010; January 17–20, 2011; September 19–22, 2011
- **Advanced HAZUS Multi-Hazards for Flood (E172)** (prerequisite: E313) January 3–6, 2011; July 1–14, 2011
- **HAZUS Multi-Hazards for Risk Assessment (E296)** January 3–6, 2011; July 11–14, 2011
- **Residential Coastal Construction (E386)** August 9–12, 2010; August 15–18, 2011
- **Retrofitting Floodprone Residential Buildings (E279)** June 27–30, 2011

Under the 2007 *CRS Coordinator’s Manual*, five points are provided under Section 431.n, Staffing (STF), for each member of a community’s floodplain permit staff who graduates from courses E194, E273, E278, E282, or E386. The maximum training credit under Section 431.n is 25 points. Graduating from E279 provides five points in Activity 360—Flood Protection Assistance.

Don’t forget that the CRS offers “remote” workshops to help communities with their elevation certificate requirements. If you are interested in hosting a “**webinar**” on the **FEMA Elevation Certificate**, contact your ISO/CRS Specialist.
