





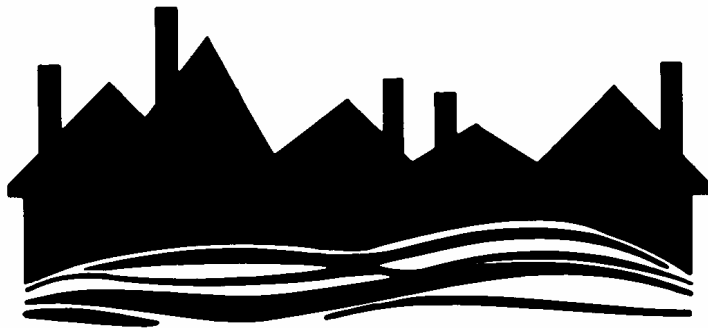


If you are contacted, it is recommended that you tell inquirers two things:

1. They should talk to their insurance agent to verify how the structure has been rated. It is possible that there is an error in the lowest floor or base flood elevation. It is possible that the building has not been fully “grandfathered” to reflect that it was built in compliance before a map change (they may need your help to determine the flood zone and/or base flood elevation at the time of construction). If these errors can be corrected to show that the building is not one foot or more below the base flood elevation, then the property owner should ask their insurance agent to correct the policy. You may need to provide supporting documentation to correct the errors.
2. If the policy is correctly rated, advise the person that there may be ways to retrofit the structure to bring it into compliance. For example, the lowest floor used for rating may be the floor of an attached garage or an enclosed parking area in a high rise structure. If the owner puts in flood openings or otherwise modifies the enclosure to reduce or eliminate the potential for water damage, the building can be re-rated. Not only will the policy have the CRS discount, the fact that the lowest floor for rating purposes is above the BFE will greatly reduce the premium. If your community is receiving credit for CRS Activity 360 (Flood Protection Assistance), be sure to document your advice to the policyholder.

You may want to have a supply of the publication, *Homeowner’s Guide to Retrofitting: Six Ways to Protect Your House from Flooding*, FEMA-312. Chapter 6, for example, describes how flood openings can be installed to wet floodproof the lowest floor and bring the building into compliance.

This book can be downloaded from FEMA’s website at [www.fema.gov/hazard/flood/pubs/lib312.shtm](http://www.fema.gov/hazard/flood/pubs/lib312.shtm). Communities are welcome to put a link to this site on their own websites. Hard copies can be ordered using the order form in Appendix E of the *CRS Coordinator’s Manual*.



# NFIP/CRS UPDATE

Winter 2007–2008

## High-risk Structures to Lose CRS Discount

The Community Rating System (CRS) provides a flood insurance premium discount in participating communities that implement floodplain management activities above and beyond the minimum criteria of the National Flood Insurance Program (NFIP). Policy holders receive 5 to 45% discounts on their annual premiums, depending on their flood zone and the community’s CRS classification. In short, the more communities do to prevent and reduce flood losses, the more their residents benefit with reduced premiums.

One problem with this approach is that everyone benefits from the community’s rating, even those who own buildings that are at high risk and may not be compliant with the NFIP’s construction criteria. Accordingly, the Federal Emergency Management Agency (FEMA) is initiating a change in the way CRS premium discounts are applied.

Effective May 1, 2008, FEMA will institute this new policy: Flood insurance policies for buildings that are rated as having the lowest floor one foot or more below the base flood elevation will no longer be eligible for the community’s CRS discount. Some clarifications:

- In most cases, the affected structures are non-compliant, i.e., in violation of the NFIP construction criteria. They may have received a variance from the community. If so, the variance applicant was advised that “the issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance” as required by 44 *CFR* 60.6(a)(5).
- This new policy only affects elevation-rated buildings. Typically, these are new construction or “post-FIRM” buildings, not older buildings that qualify for the pre-FIRM “subsidized” rates.
- Only buildings in the mapped Special Flood Hazard Area are affected. Buildings in B, C, or X Zones are not rated based on the elevation of their lowest floors.
- It does not affect those V-Zone properties that have approved breakaway walls surrounding unfinished enclosures used only for building access, storage, and parking, but that were rated based on the enclosed area’s being the lowest floor.

The policy does not affect buildings that were compliant when they were built, but whose flood zone has been changed and/or whose base flood elevation has been raised to a level above the lowest floor through the issuance of a new map. These structures can be “grandfathered” so they keep premiums based on the flood zone and/or base flood elevation at the time of construction.

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## High Risk Structures to Lose CRS Discount — continued from front page

The new policy will affect about 38,000 structures in 830 of the 1,080 CRS communities. Local CRS Coordinators will be sent a list of the properties that will be affected before May. Policy holders with May or June renewals will receive renewal billing notices in March or April.

Most policy holders will not know why there is an increase because their renewal statement may not mention it or their premiums are paid by a mortgage escrow account. However, upon receipt of payment of the annual renewal, the issued declaration page will have a zero for the CRS discount. If policy holders are curious about this loss of the discount, they may contact their community's CRS Coordinator.

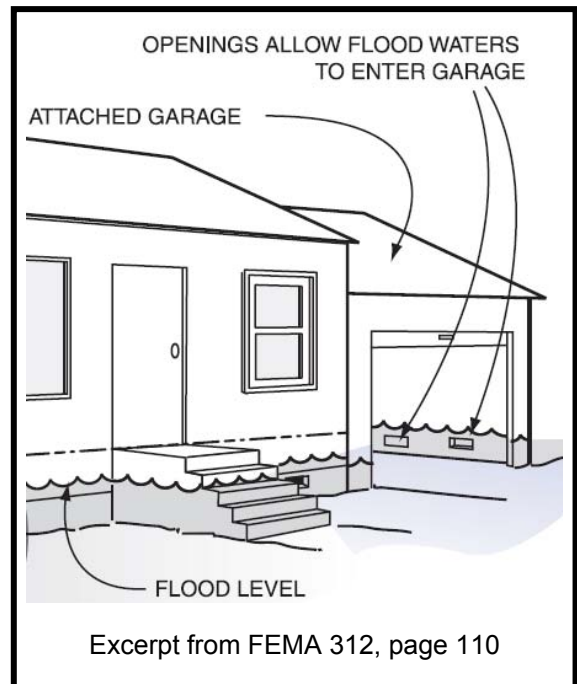
If you are contacted, it is recommended that you tell the policy holders two things:

1. They should talk to their insurance agent to verify how the structure has been rated. It is possible that there is an error in the lowest floor or base flood elevation. It is possible that the building has not been fully "grandfathered" to reflect that it was built in compliance before a map change (they may need your help to determine the flood zone and/or the base flood elevation at the time of construction). If these errors can be corrected to show that the building is not one foot or more below the base flood elevation, then the property owner should ask his or her agent to correct the policy. You may need to help with supporting documentation to correct the errors.
2. If the policy is correctly rated already, advise the person that there may be ways to retrofit the structure to bring it into compliance. For example, the lowest floor used for rating may be the floor of an attached garage or an enclosed parking area in a high rise structure. If the owner puts in flood openings or otherwise modifies the enclosure to reduce or eliminate the potential for water damage, the building can be re-rated. Not only will the policy have the CRS discount, but also the fact that the lowest floor for rating purposes is above the base flood elevation will greatly reduce the premium. If your community is receiving credit for Activity 360 (Flood Protection Assistance), be sure to document your advice to the policy holder.

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## Policies Affected by Loss of Discount By Region and State

### Region 1

CONNECTICUT	177	0.46%
MAINE	44	0.11%
MASSACHUSETTS	179	0.47%
NEW HAMPSHIRE	16	0.04%
RHODE ISLAND	86	0.22%
VERMONT	4	0.01%
Region total	506	1.32%

### Region 2

NEW JERSEY	4,026	10.48%
NEW YORK	208	0.54%
Region total	4,234	11.03%

### Region 3

DELAWARE	190	0.49%
MARYLAND	381	0.99%
PENNSYLVANIA	48	0.13%
VIRGINIA	1,112	2.90%
WEST VIRGINIA	9	0.02%
Region total	1,740	4.53%

### Region 4

ALABAMA	790	2.06%
FLORIDA	15,110	39.35%
GEORGIA	1,190	3.10%
KENTUCKY	220	0.57%
MISSISSIPPI	321	0.84%
NORTH CAROLINA	3,671	9.56%
SOUTH CAROLINA	2,888	7.52%
TENNESSEE	101	0.26%
Region total	24,291	63.26%

### Region 5

ILLINOIS	71	0.18%
INDIANA	60	0.16%
MICHIGAN	67	0.17%
MINNESOTA	1	0.00%
OHIO	66	0.17%
WISCONSIN	41	0.11%
Region total	306	0.80%

### Region 6

ARKANSAS	47	0.12%
LOUISIANA	3,228	8.41%
NEW MEXICO	83	0.22%
OKLAHOMA	22	0.06%
TEXAS	1,511	3.93%
Region total	4,891	12.74%

### Region 7

IOWA	10	0.03%
KANSAS	4	0.01%
MISSOURI	28	0.07%
NEBRASKA	74	0.19%
Region total	116	0.30%

### Region 8

COLORADO	217	0.57%
MONTANA	57	0.15%
NORTH DAKOTA	13	0.03%
SOUTH DAKOTA	1	0.00%
UTAH	4	0.01%
WYOMING	24	0.06%
Region total	316	0.82%

### Region 9

ARIZONA	298	0.78%
CALIFORNIA	486	1.27%
HAWAII	27	0.07%
NEVADA	104	0.27%
Region total	915	2.38%

### Region 10

ALASKA	16	0.04%
IDAHO	203	0.53%
OREGON	329	0.86%
WASHINGTON	537	1.40%
Region total	1,085	2.83%

<b>State</b>	<b>Community</b>	<b>Comm. No.</b>	<b>Contracts</b>
ALABAMA	BALDWIN COUNTY*	015000	328
ALABAMA	BIRMINGHAM, CITY OF	010116	5
ALABAMA	DAUPHIN ISLAND, TOWN OF	010418	60
ALABAMA	GULF SHORES, TOWN OF	015005	258
ALABAMA	HOMWOOD, CITY OF	015006	3
ALABAMA	HOOVER, CITY OF	010123	1
ALABAMA	HUNTSVILLE, CITY OF	010153	31
ALABAMA	ORANGE BEACH, CITY OF	015011	97
ALABAMA	PELL CITY, CITY OF	010189	4
ALABAMA	PRATTVILLE, CITY OF	010002	2
ALABAMA	ALABAMA	State total	790
ALASKA	ANCHORAGE, MUNICIPALITY OF	020005	5
ALASKA	KENAI PENINSULA BOROUGH	020012	10
ALASKA	VALDEZ, CITY OF	020094	1
ALASKA	ALASKA	State total	16
ARIZONA	CAMP VERDE, TOWN OF	040131	7
ARIZONA	CLARKDALE, TOWN OF	040095	2
ARIZONA	COCHISE COUNTY*	040012	1
ARIZONA	COCONINO COUNTY *	040019	7
ARIZONA	FLAGSTAFF, CITY OF	040020	8
ARIZONA	GILBERT, TOWN OF	040044	1
ARIZONA	MARICOPA COUNTY*	040037	16
ARIZONA	MOHAVE COUNTY*	040058	29
ARIZONA	NAVAJO COUNTY *	040066	5
ARIZONA	PHOENIX, CITY OF	040051	8
ARIZONA	PIMA COUNTY *	040073	12
ARIZONA	PRESCOTT, CITY OF	040098	6
ARIZONA	SCOTTSDALE, CITY OF	045012	163
ARIZONA	SHOW LOW, CITY OF	040069	4
ARIZONA	TUCSON, CITY OF	040076	7
ARIZONA	YAVAPAI COUNTY *	040093	22
ARIZONA	ARIZONA	State total	298
ARKANSAS	ARKADELPHIA, CITY OF	050029	1
ARKANSAS	BENTON COUNTY*	050419	1
ARKANSAS	GARLAND COUNTY *	050433	13
ARKANSAS	HOT SPRINGS, CITY OF	050084	1
ARKANSAS	JACKSONVILLE, CITY OF	050180	13
ARKANSAS	JONESBORO, CITY OF	050048	8
ARKANSAS	LITTLE ROCK, CITY OF	050181	8
ARKANSAS	WEST MEMPHIS, CITY OF	050055	2
ARKANSAS	ARKANSAS	State total	47
CALIFORNIA	CLEARLAKE, CITY OF	060714	13
CALIFORNIA	CONTRA COSTA COUNTY*	060025	18
CALIFORNIA	CORTE MADERA, TOWN OF	065023	1
CALIFORNIA	FAIRFIELD, CITY OF	060370	7
CALIFORNIA	FREMONT, CITY OF	065028	3

CALIFORNIA	FRESNO COUNTY *	065029	2
CALIFORNIA	FRESNO, CITY OF	060048	2
CALIFORNIA	HUNTINGTON BEACH, CITY OF	065034	2
CALIFORNIA	KERN COUNTY*	060075	5
CALIFORNIA	LAKE COUNTY *	060090	87
CALIFORNIA	LONG BEACH, CITY OF	060136	24
CALIFORNIA	LOS ANGELES COUNTY*	065043	7
CALIFORNIA	LOS ANGELES, CITY OF	060137	8
CALIFORNIA	MILPITAS, CITY OF	060344	11
CALIFORNIA	MONTEREY COUNTY *	060195	5
CALIFORNIA	MORGAN HILL, CITY OF	060346	7
CALIFORNIA	MOUNTAIN VIEW, CITY OF	060347	8
CALIFORNIA	NAPA, CITY OF	060207	26
CALIFORNIA	NEWPORT BEACH, CITY OF	060227	11
CALIFORNIA	NOVATO, CITY OF	060178	4
CALIFORNIA	PALM SPRINGS, CITY OF	060257	1
CALIFORNIA	PALO ALTO, CITY OF	060348	24
CALIFORNIA	PETALUMA, CITY OF	060379	3
CALIFORNIA	PLACER COUNTY*	060239	2
CALIFORNIA	REDDING, CITY OF	060360	3
CALIFORNIA	SACRAMENTO COUNTY *	060262	18
CALIFORNIA	SACRAMENTO, CITY OF	060266	7
CALIFORNIA	SALINAS, CITY OF	060202	3
CALIFORNIA	SAN JOAQUIN COUNTY*	060299	25
CALIFORNIA	SAN JOSE, CITY OF	060349	44
CALIFORNIA	SAN JUAN CAPISTRANO, CITY OF	060231	8
CALIFORNIA	SAN LEANDRO, CITY OF	060013	1
CALIFORNIA	SAN LUIS OBISPO, CITY OF	060310	4
CALIFORNIA	SANTA BARBARA COUNTY *	060331	9
CALIFORNIA	SANTA CLARA COUNTY*	060337	3
CALIFORNIA	SANTA CLARA, CITY OF	060350	9
CALIFORNIA	SANTA CLARITA, CITY OF	060729	7
CALIFORNIA	SANTA CRUZ, CITY OF	060355	13
CALIFORNIA	STOCKTON, CITY OF	060302	1
CALIFORNIA	SUNNYVALE, CITY OF	060352	30
CALIFORNIA	TEHAMA, CITY OF	060400	2
CALIFORNIA	VACAVILLE, CITY OF	060373	5
CALIFORNIA	WALNUT CREEK, CITY OF	065070	1
CALIFORNIA	WATSONVILLE, CITY OF	060357	8
CALIFORNIA	YUBA COUNTY *	060427	4
CALIFORNIA	CALIFORNIA	State total	486
COLORADO	ALAMOSA COUNTY *	080009	4
COLORADO	ALAMOSA, CITY OF	080010	2
COLORADO	ARAPAHOE COUNTY *	080011	3
COLORADO	ARVADA, CITY OF	085072	8
COLORADO	AURORA, CITY OF	080002	1
COLORADO	BOULDER COUNTY *	080023	17
COLORADO	BOULDER, CITY OF	080024	43
COLORADO	BRUSH, CITY OF	080130	2
COLORADO	CANON CITY, CITY OF	080068	2

COLORADO	CHERRY HILLS VILLAGE, CITY OF	080013	2
COLORADO	COLORADO SPRINGS, CITY OF	080060	10
COLORADO	DELTA, CITY OF	080043	1
COLORADO	DENVER, CITY AND COUNTY OF	080046	10
COLORADO	EL PASO COUNTY*	080059	2
COLORADO	ENGLEWOOD, CITY OF	085074	1
COLORADO	FORT COLLINS, CITY OF	080102	14
COLORADO	FREMONT COUNTY *	080067	1
COLORADO	FRISCO, TOWN OF	080245	7
COLORADO	GUNNISON COUNTY *	080078	7
COLORADO	GUNNISON, CITY OF	080080	6
COLORADO	JEFFERSON COUNTY *	080087	3
COLORADO	LAKEWOOD, CITY OF	085075	5
COLORADO	MANITOU SPRINGS, CITY OF	080063	5
COLORADO	MESA COUNTY *	080115	2
COLORADO	PITKIN COUNTY*	080287	5
COLORADO	SILVERTHORNE, TOWN OF	080201	3
COLORADO	STEAMBOAT SPRINGS, TOWN OF	080159	14
COLORADO	TELLURIDE, TOWN OF	080168	37
COLORADO	COLORADO	State total	217
CONNECTICUT	EAST HAVEN, TOWN OF	090076	27
CONNECTICUT	EAST LYME, TOWN OF	090096	3
CONNECTICUT	NEWTOWN, TOWN OF	090011	1
CONNECTICUT	STAMFORD, CITY OF	090015	35
CONNECTICUT	STONINGTON, BOROUGH OF	090193	8
CONNECTICUT	STONINGTON, TOWN OF	090106	47
CONNECTICUT	WESTBROOK, TOWN OF	090070	15
CONNECTICUT	WESTPORT, TOWN OF	090019	41
CONNECTICUT	CONNECTICUT	State total	177
DELAWARE	DEWEY BEACH, TOWN OF	100056	45
DELAWARE	FENWICK ISLAND, TOWN OF	105084	76
DELAWARE	LEWES, CITY OF	100041	41
DELAWARE	NEW CASTLE, CITY OF	100026	8
DELAWARE	NEWARK, CITY OF	100025	2
DELAWARE	REHOBOTH BEACH, CITY OF	105086	4
DELAWARE	SOUTH BETHANY, TOWN OF	100051	14
DELAWARE	DELAWARE	State total	190
FLORIDA	ALACHUA COUNTY*	120001	6
FLORIDA	ALTAMONTE SPRINGS, CITY OF	120290	1
FLORIDA	ANNA MARIA, CITY OF	125087	76
FLORIDA	APOPKA, CITY OF	120180	1
FLORIDA	ATLANTIC BEACH, CITY OF	120075	5
FLORIDA	AVENTURA, CITY OF	120676	9
FLORIDA	BAL HARBOUR, VILLAGE OF	120636	18
FLORIDA	BAY COUNTY*	120004	48
FLORIDA	BAY HARBOR ISLANDS, TOWN OF	120637	15
FLORIDA	BELLEAIR BEACH, CITY OF	125089	57
FLORIDA	BOCA RATON, CITY OF	120195	13

































































