

Community Rating System

Introduction

The Community Rating System (CRS) is a voluntary federal program for communities participating in the National Flood Insurance Program (NFIP). CRS recognizes and encourages floodplain management activities that exceed the minimum standards for participation in the NFIP. The goals of the CRS program are the following:

- Reduce and avoid flood damage to insurable property.
- Strengthen and support the insurance aspects of the NFIP.
- Foster comprehensive floodplain management.

In exchange for the community's efforts at implementing higher standards, policyholders see a reduction in their flood insurance premiums. The amount of discount depends on the CRS class the community achieves. For each accumulation of 500 points, the class rating improves. Implementation and documentation earn points, more points mean lower classes, and lower classes mean higher savings. The table below demonstrates the relationship of points and classes to flood insurance premium discounts.

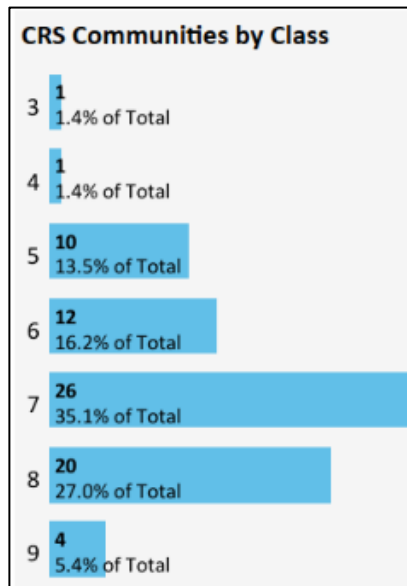
Points	CRS Class	Discount
0 - 500	10	0%
501 - 999	9	5%
1,000 - 1,499	8	10%
1,500 - 1,999	7	15%
2,000 - 2,499	6	20%
2,500 - 2,999	5	25%
3,000 - 3,499	4	30%
3,500 - 3,999	3	35%
4,000 - 4,499	2	40%
4,500 +	1	45%

More Points	=	Lower Ratings	=	Higher Savings
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CRS Classes

Effective April 1, 2025, there are approximately 74 communities in Texas participating in the CRS ranging from a class 9 to a class 3. Below is a breakdown of how CRS classes are distributed in Texas (data source: www.crsviz.com).



Flood Insurance Savings

Under FEMA's legacy methodology, CRS discounts were distributed based on the location of the structure (in or out of the floodplain), and people who lived in Zone X with no claims or loss history did not receive the CRS discount since they were paying the cheapest rate possible. FEMA's new pricing methodology, however, rates all structures on their *individual risk* in an effort to achieve actuarial rates. This new rating structure means that all eligible policyholders (with compliant structures) may benefit from the CRS discount, regardless of location. To put the savings into real numbers and dollars, the table below displays the flood insurance policy data for the City of Iowa Colony (current as of 7/31/25).

	# of Policies-in-Force	Total Coverage	Total Written Premium + FPF	Total Annual Payment
City of Iowa Colony	380	\$126,381	\$349,784	\$424,883
Total Coverage = the total building and contents coverage for the policies in force Total Written Premium + FPF = the sum of the premium and FPF (federal policy fee) for the policies in force Total Annual Payment = the sum of submitted written premiums, discounts, fees, assessments, and surcharges				

CRS Activities

The CRS program is divided into four major sections consisting of activities and elements. Some of the more commonly credited elements are mentioned below.

- **Section 300 – Public Information Activities:** Maintaining elevation certificates; providing FEMA map information to inquirers; public outreach programs; hazard disclosure; flood protection information on the website and in the public library; providing property protection assistance and making site visits; and flood insurance promotion
- **Section 400 – Mapping and Regulations:** Open space preservation and open space incentives; higher standards in the flood ordinance (e.g., compensatory storage, freeboard, building codes, engineered foundations); number of CFMs on staff; GIS mapping; and stormwater management regulations
- **Section 500 – Flood Damage Reduction Activities:** Floodplain management plan or hazard mitigation plan; repetitive loss area analysis; substantial damage management plan; buyouts; voluntary elevations; structural modifications; Capital Improvement Plan; and drainage system maintenance of natural channels
- **Section 600 – Warning and Response:** Flood warning program including StormReady; dam maintenance program; and levee maintenance program

City of Iowa Colony CRS - at a glance

A cursory review of the City of Iowa Colony revealed several higher standards already in place that would receive CRS credit such as the two-foot freeboard, compensatory storage, design criteria manual, GIS capabilities, and a Comprehensive Plan, to name a few. The City would also benefit greatly from the Community Growth Adjustment (CGA) factor that is based on the county's growth. The CGA for Brazoria County is 1.21 meaning points earned in any of the Section 400 activities would be increased by 21%. Although the CGA may change from year to year, it was 1.18 in 2024 which indicates there has been significant growth in Brazoria County and is assumed to continue.

Cahoon Consulting has over 20 years of extensive experience helping Texas communities in every facet of the CRS program. A list of past and current clients is on our website at <https://www.cahoonconsulting.com/services> and community references are available upon request. If you are interested in learning more about the City of Iowa Colony's potential in the CRS, please feel free to contact me. I would welcome the opportunity to meet with you and help bring savings to your community.

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