

# Community Rating System Addendum to the Coordinator's Manual – 2017 Edition

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The Community Rating System (CRS) is a voluntary program that provides flood insurance premium discounts to communities that implement programs and measures that exceed the minimum floodplain management requirements of the National Flood Insurance Program (NFIP). The Community Rating System program determines discounts based on credit points provided for floodplain management activities in participating communities. To achieve certain CRS Class ratings, communities must meet certain program prerequisites in addition to obtaining the credit points.

In January 2021, FEMA began implementing the Addendum to the CRS Coordinator's Manual for all new and participating communities.

## Why is FEMA issuing an Addendum to the Community Rating System Coordinator's Manual?

The CRS Coordinator's Manual is the main guidance document for the National Flood Insurance Program's Community Rating System. The Community Rating System works continuously to incorporate emerging technologies, simplify the program's credit system, develop new incentives for community resilience and preparedness, and explore ways to streamline the class rating and award procedures. This process usually entails a complete update to the Coordinator's Manual every three to five years.

In lieu of completely revising the Coordinator's Manual this year, FEMA is instead issuing an Addendum limited to clarifications, simplifications, new credit opportunities, and changes related to FEMA initiatives. The 2021 Addendum will serve as a "bridge" between the existing guidance materials and the more comprehensive update that is anticipated as FEMA continues to implement the National Flood Insurance Program Transformation.

This approach allows communities participating in the program to continue using the familiar materials for a longer period. It also will help avoid the need for "interim" guidance or a short turnaround time for future revisions—either of which could prove disruptive for communities.

## When does the Addendum become effective?

The Addendum is effective Jan. 1, 2021 and will be used in conjunction with the 2017 edition of the Coordinator's Manual. The expiration date noted on the 2017 Coordinator's Manual is no longer applicable. Both documents will be in force at a community's next cycle verification after Jan. 1, 2021 and continue until the next full update of the



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Coordinator's Manual. Communities may take advantage of the new credit opportunities presented in the Addendum at any time and need not wait until a scheduled verification visit.

## **What should CRS participating communities do in consideration of the Addendum?**

Communities should determine which, if any, of the two new prerequisite requirements apply to their situations and take steps to ensure that those requirements are met, such as checking floodplain ordinances, building codes, and in-house procedures.

It would be useful for participating communities to examine the Addendum and incorporate its clarifications and updates into their own working documents related to the Community Rating System. Finally, for many communities, the Addendum presents opportunities to earn more credit points.

There will be no change to the participating CRS communities' annual recertification schedule or to their verification cycles. Communities have until their next scheduled recertification or cycle verification to incorporate any changes to their programs. For example, at its first regularly scheduled verification cycle visit after Jan. 1, 2021, a CRS-participating community that is rated at a Class 8 (or has applied to become) or better will need to demonstrate enforcement of the 1-foot freeboard requirement. On the other hand, a CRS community may take advantage of the new credit opportunities and apply for a modification to improve its class rating at any time—waiting until the recertification and/or cycle is not necessary.

## **What will happen to the 2017 edition of the CRS Coordinator's Manual?**

The 2017 edition of the CRS Coordinator's Manual will remain in effect, with the changes and additions described in the Addendum. Beginning in January 2021, the two documents will form the official guidance for the criteria, scoring, procedures, and other aspects of the Community Rating System. All participating communities and the Insurance Services Office, Inc. (ISO) will continue to use the 2017 Coordinator's Manual along with the 2021 Addendum, until FEMA issues a new Coordinator's Manual. The expiration date on the 2017 edition of the Coordinator's Manual is no longer applicable.

## **What does the Addendum include?**

The 2021 Addendum presents two new prerequisite requirements, several new program credit opportunities, and some updates and modifications aimed at simplifying credit and reporting requirements.

## **What are the new prerequisite requirements?**

The Class 9 prerequisite for FEMA Elevation Certificates is being changed to require 90% accuracy at the community's annual review, plus a requirement for a community to have written procedures for the management of its floodplain-related construction certificates, including Elevation Certificates. All communities will receive credit for the management procedures. Communities will no longer need to submit copies of construction certificates at their cycle verification visits.

A new Class 8 prerequisite will require communities to adopt and enforce at least a 1-foot freeboard requirement (including equipment or mechanical items) for all residential buildings constructed, substantially improved, and/or reconstructed due to substantial damage, throughout its Special Flood Hazard Area where base flood elevations or

depths have been determined. The freeboard requirement is aimed at lowering the risk of flood damage in a community and helping community residents realize the reduced flood insurance premiums brought about by higher building elevations. Communities have already received letters from the Insurance Services Office, Inc., regarding this new prerequisite.

### **What new credit is available?**

Credit is being increased for flood insurance coverage improvement plans, plan implementation, and technical assistance under Activity 370 (Flood Insurance Promotion).

Under Activity 510 (Floodplain Management Planning), credit is becoming available for the development of floodplain species assessments, encouraging communities to develop a better understanding of the endangered species within their jurisdictions.

Communities that develop a substantial damage management plan are eligible to obtain credit under Activity 510 (Floodplain Management Planning). Such a plan identifies steps that a community can take before a flood or other hazard-caused event to efficiently and effectively meet the NFIP requirement for assessing damage and making substantial damage determinations.