

# Community Rating System Discount Guide

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Under [Risk Rating 2.0](#), the National Flood Insurance Program's (NFIP) pricing approach, the [Community Rating System](#) (CRS) discount is applied to the full-risk premium for **all** NFIP policies in the Regular Program in a participating community, including policies outside of the Special Flood Hazard Area.

## Summary

- **New NFIP Policies:** New policies receive the full-risk premium with the applicable CRS discount immediately.<sup>1</sup>
- **Existing NFIP Policies:** Existing policies with premium decreases or increases at or below the statutory annual increase percentage receive the full-risk premium with the CRS class discount immediately. Premium increases above the statutory annual increase percentage will gradually go up to the full-risk premium less the CRS class discount.
- **CRS Class Improvements:** The CRS discount is applied to the full-risk premium at the next policy renewal. Policies on a glidepath will benefit from the additional discount when they reach the full-risk premium.
- **CRS Class Retrogrades:** The difference in the CRS discount due to the class retrograde is applied at renewal and is not subject to the statutory annual increase cap.
- **Policy at NFIP Maximum Rate, CRS Discount Not Applied in Full:** New and existing policies where the premium after the CRS discount is higher than the premium based on the maximum rate cap will receive the difference in the premium amounts for the CRS discount.
- **CRS Discount Not Applied:** Buildings in violation of NFIP regulations, as noted in [Title 44 of the Federal Code, sections 44 and 60.3](#), will not receive a CRS discount until the violation is resolved and documentation of such is provided.

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<sup>1</sup> Buildings may be eligible for certain statutory discounts. Statutory discounts include Newly Mapped discount, Pre-FIRM discount, Emergency Program discount, AR discount and A99 discount.



## Calculating the Full-Risk Premium with the CRS Discount

The following premiums and discounts are applied to the calculation of the full-risk premium. These components are shown on the declarations page of an NFIP policy.

- **Building Premium:** The full-risk building premium is based on the data elements provided in the NFIP’s pricing approach. See the [Rate Explanation Guide](#) for more information. The building premium includes a portion of the expense and loss constants (currently \$193).<sup>2</sup>
- **Contents Premium:** The full-risk contents premium is based on the data elements provided in the NFIP’s pricing approach. The contents premium includes a portion of the expense and loss constants (currently \$193).
- **ICC Premium:** The premium is 1.9% of the building and contents premium, subject to a maximum of \$75.
- **Mitigation Discount:** Applies to elevated machinery and equipment and/or proper flood openings. The mitigation discount is calculated based on the total of the building, contents and ICC premiums, after deducting the expense and loss constants. See the [Discount Explanation Guide](#) for more information on mitigation discounts.
- **CRS Discount:** Applies to buildings that are compliant with the minimum floodplain management regulations within the community. The CRS discount is calculated based on the total of the building, contents and ICC premium, after deducting the expense and loss constants and any mitigation discounts. This is then multiplied by the CRS class percentage discount.

The community’s CRS class at the time an NFIP policy is written or renewed is used when calculating the CRS discount. For more information about the other factors included in an NFIP policy premium, please see the Rate Explanation Guide and Discount Explanation Guide at [agents.floodsmart.gov](https://agents.floodsmart.gov).

**Table 1. Calculating the CRS Discount**

Community Rating System Classes and Discount Table										
CRS Class	10	9	8	7	6	5	4	3	2	1
CRS Discount (Premium Reduction)	0%	5%	10%	15%	20%	25%	30%	35%	40%	45%

A Class 10 community is not participating in CRS and receives no discount.

To view the listing of CRS communities and their classes, visit FEMA’s [website](#). This list is updated twice a year.

<sup>2</sup> Buildings may be eligible for certain statutory discounts. Statutory discounts include Newly Mapped discount, Pre-FIRM discount, Emergency Program discount, AR discount and A99 discount.