Today’s Agenda

• Welcome & RR 2.0 Workgroup Update
• Discussion of four key topics
  • Premium/Cost-savings Estimator and FEMA’s D2C effort
  • Applying the CRS Discount
  • Mitigation Discount
  • First Floor Height and Elevations
• Open Discussion
Premium/Cost-Savings Estimator and FEMA’s D2C Effort

Bruce Bender
Applying the CRS Discount

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Applying the CRS Discount

**CRS discounts may not appear to be fully applied because:**

1. CRS discount does not apply directly to B+C+ICC premium shown on the dec page (must subtract Loss and Expense Constant and M&E/mitigation discount, if applicable);

2. Policy premium exceeded maximum *premium* of $12,125 (or below minimum of ~$360);

3. Policy *rate* exceeded maximum;

4. Policy may be on a glidepath and not reached full-risk premium;

5. Class rate improvement not shown because policy is on a glidepath; it will be shown when it reaches full-risk premium (minus the CRS discount);
   a. Class retrogrades (loss of discount) will be charged at next renewal

6. It is an area that was annexed but the table was not updated;

7. *It is on the National Violation Tracker.*

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**National Violation Tracker (NVT) properties come from the following 4 sources:**

- Minus-rated post-FIRM policies from PIVOT as determined under RR 1.0
- LOMC violations
- CAVs/CACs violations
- Potential violations that were identified during the annual CRS EC recertification
Mitigation Discount

Tom Little
Elevated with Flood Openings

Higher Floor 460.69'

INSTALLATION OF FLOOD VENTS
NFIP Flood Insurance Premium Results

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old RR1.0 Premium</td>
<td>$2,038</td>
</tr>
<tr>
<td>Retrofit Cost</td>
<td>$1,200</td>
</tr>
<tr>
<td>Post Mit RR1.0 Premium</td>
<td>$511</td>
</tr>
<tr>
<td>RR2.0 $870 going to</td>
<td>$2,397</td>
</tr>
</tbody>
</table>

Flooded 5 Times Since Retrofit and has had ZERO claims
Mitigation Discount

• Current RR2.0 mitigation credits do not show a strong enough ROI
  • Current average savings do not generate proactive mitigation retrofits
• Property owners who mitigated under RR1.0 are seeing high full risk premiums
  • They are required to maintain this policy with increasing premiums if they utilized grant money
  • This issue is causing a trend with communities not pursuing pre storm mitigation money, lost a hook
• Alignment with Building Standards & Risk Reduction
  • Floodplain Managers & Agents struggle to communicate and provide advice on mitigation under RR2.0 (Estimator Tool will help)
• Refinement of models
  • Is the true reduction in exposure mitigation provides reflected in the models output from the first floor to grade
• Need to get back to a place where we reward owners for proactive mitigation
  • Savings drives desired action – resilient structures
  • Owners invest their own money
  • NFIP retains business
  • Reduction in claims

Flood Openings
Raising Mechanicals
Elevation/Foundation Type
First Floor Height and Elevations

Bill Nechamen
Elevations

• Where it Comes From
  • Digital Elevation Models (USGS)
  • First Floor Height from CoreLogic
  • Policyholder may provide an Elevation Certificate

• How it’s Used
  • Elevation of Ground Relative to Source of Flooding
  • Elevation of First Floor Above Ground relative to Ground Elevation

• No Longer using Base Flood Elevation
Concerns with Elevation Data

- **DEM’s:**
  - 10 Meter:
    - Elevation Accuracy $\pm 1.87$ meters (over 6’)
    - One Point per 10 Meter Grid

- **CoreLogic Structure Data**
  - Less Accurate than Elev Cert
  - Tool Tends to Underestimate 1st Floor Height
  - Need to Recommend Elevation Certificate
Open Discussion