

3 Things to Know About Risk Rating 2.0



For Community Officials | April 2022 | NH Floodplain Management Program

1. Risk Rating 2.0 enables FEMA to set rates that are fairer and ensures rate increases and decreases are both equitable.

Risk Rating 2.0 fundamentally changes the way FEMA prices insurance and determines an individual property's flood risk. Currently, FEMA develops rates based predominantly on Flood Insurance Rate Map zone and base flood elevation. With Risk Rating 2.0, flood risk will be determined using a combination of factors and data sources rather than just FEMA flood maps. These factors include multiple flood types (e.g., heavy rainfall, river overflow, coastal storm surge, etc.) and frequencies, distance to a water source, and property characteristics such as first floor elevation, construction and foundation type, and home value.

2. Starting April 1, 2022, all new or renewing policies will utilize Risk Rating 2.0

New policies beginning Oct. 1, 2021, will be subject to the new rating methodology. Existing policyholders eligible for renewal will be able to take advantage of any decrease in their premiums. All remaining policies renewing on or after April 1, 2022, will be subject to the new rating methodology.

3. The Community Rating System and its discounts to policyholders will remain.

Discounts to policyholders in communities who participate in the [Community Rating System](#) will continue. Communities will continue to earn National Flood Insurance Program rate discounts of 5% - 45% based on the Community Rating System classification. However, since Risk Rating 2.0 does not use flood zones to determine flood risk, the discount will be uniformly applied to all policies throughout the participating community, regardless of whether the structure is inside or outside of the Special Flood Hazard Area.

Learn more about [Risk Rating 2.0 in New Hampshire](#).