

# BENEFITS OF A LARGER FLOOD MITIGATION CREDIT IN RISK RATING 2.0

WHY REWARDING CONSUMERS FOR BEING PROACTIVE BENEFITS EVERYONE



Before Risk Rating 2.0, a more significant mitigation credit was offered, leading to home and business owners elevating or installing flood damage reduction products for insurance savings.

Without incentives, property owners *aren't mitigating* flood risk

ISSUES CREATED BY THE CURRENT PROGRAM ARE CAUSING:

✗ Higher Risk for Property Owners

✗ Higher Exposure for the NFIP

✗ Less Proactive Retrofits

✗ Policies dropped more frequently

Overall, this creates financial hardship, especially for those who retrofitted before RR2.0 only to pay more after.

WITH AN IMPROVED MITIGATION CREDIT

## CONSUMER DISCOUNTS LEAD TO IDEAL ACTION



**1 - CONSUMERS SEE SAVINGS**  
when the discount is increased



**2 - SAVINGS PROMOTES ACTION**  
A beneficial ROI promotes mitigation



**3 - CONSUMERS USE OWN CAPITAL**  
relying less on government funds



**6 - CUSTOMER RETENTION**  
keeping money in the NFIP system



**5 - FEWER CLAIMS, LESS EXPOSURE**  
Everyone is safer and saves money



**4 - PREMIUMS ARE LOWERED**  
Safer homes reduce risk of damage



## In Summary, This Creates A More Fiscally Sound Program

According to the National Institute for Building Sciences, mitigation saves \$6 for every \$1 invested



Proactive Mitigation



Families are displaced less



Less Payouts & Claims



Higher Policy Retention