

TALKING POINTS: The Weather Channel, Saturday, November 18, 2023

Overview: The National Oceanic and Atmospheric Administration (NOAA) reports 25 [weather/climate disaster events](#) have occurred so far this year in the U.S. which caused at least \$1 billion in insured and uninsured economic losses. Yet only two of them involved either a hurricane (Idalia) or a wildfire (Hawaii). Most were the result of [convective storms](#): tornadoes, hail, straight-line winds, and thunderstorms with lightning, which often result in drenching rainstorms.

The Weather Channel's questions:

Can you give us examples of 2023's most significant convective storms?

- For insurers, 2023 will go down as the costliest when it comes to convective storms
- More than \$50 billion in insured losses arose from them through Sept. 30—a new record.
- Deadly tornadoes hit Little Rock, Arkansas and Rolling Fork, Mississippi in the spring
- The Dallas-Fort Worth Texas hailstorms in May were among 2023's \$1 billion disasters
- Hurricane-force winds swept through Kansas and Missouri in mid-July

How do U.S. insurers get involved after major natural disasters strike a community?

- Auto, home, and business insurers are the nation's financial first responders
- Auto insurers pay for vehicles damaged by convective storms, hurricanes, and wildfires
- Home and business insurers also cover property damage caused by these weather events
- Insurers are paying housing costs for displaced Hurricane Idalia and Maui wildfire victims

Do U.S. insurers have the financial resources to pay all of 2023's claims?

- U.S. insurers are well-capitalized and have the resources to pay these claims
- The frequency and severity of natural disasters are putting financial pressure on insurers
- More people are living in harm's way and inflation drove up building material and labor costs
- To manage these risks, insurers are focusing on where, and how much, coverage to write
- In some states, regulatory hurdles have kept insurers from pricing policies to reflect these risks

What can people do to mitigate their risks from natural disasters?

- We should all be risk managers in this day and age
- There is a collective responsibility to help improve how and where we're living
- More people are living in harm's way
- Insurers are working with their policyholders to predict and prevent losses
- Policyholders are taking proactive steps to protect their residences
- In hurricane-prone states, this means installing wind-rated garage doors and roof tie-downs
- In wildfire-prone states, policyholders are creating defensible space around their homes