2011 Already a Record-Setting Year for Federal Disaster Declarations

September 30, 2011

INSURANCE INFORMATION INSTITUTE
New York Press Office: (212) 346-5500; media@iii.org

NEW YORK, October 3, 2011

? There are still three months left in 2011, and hurricane season is not over until November 30, yet already this year will go down as record-setting when it comes to federal disaster declarations, according to the Insurance Information Institute (I.I.I.).

?The federal government issued 86 disaster declarations as of September 30, breaking the previous annual U.S. record total of 81, which was set just last year,? said Dr. Robert Hartwig, an economist and president of the I.I.I. ?The number of U.S. disaster declarations has been trending sharply upward, particularly over the past 15 years,? he added. ?The average number of declarations between 1953 and 2010 was 34 per year. We?re likely to see nearly three times that many by year-end 2011.?

Hartwig noted that the increase in recent years was due both to growth in the actual number of catastrophes, as well as to an apparent increase in the propensity to issue federal disaster declarations.

Federal disaster declarations make federal funding available for emergency recovery efforts to support state, tribal, territorial and local communities. These funds supplement monies already allocated by private-sector insurers, other governments, and private nonprofit organizations. The most recent declaration by the White House, for instance, announced on September 30 that a ?major disaster exists? in the area of Delaware affected by Hurricane Irene.

The many disasters in 2011 have created enormous, unanticipated budgetary pressures on the federal government, compounding an already grim fiscal situation and prompting spirited Congressional debates last month about how to finance FEMA?s disaster assistance programs and whether to extend FEMA?s National Flood Insurance Program (NFIP). Indeed, the FEMA funding debate nearly precipitated a federal governmental shutdown.

?U.S. auto, home and business insurers had catastrophe claims payouts totaling nearly $25 billion through the first nine months of 2011 as severe winter weather took its toll; deadly tornadoes ripped through multiple states, hitting Alabama and Missouri the hardest; wildfires destroyed hundreds of homes in Texas; and Hurricane Irene ravaged the East Coast,? said Dr. Hartwig. He added that 2011 is already the fifth or sixth most expensive year on record for insured catastrophe claim payouts in the United States.

In August 2011, the federal National Climatic Data Center (NCDC) announced that 10 specific weather/climate-related disasters had each generated at least $1 billion in cumulative economic losses, breaking an annual record dating back to 1980. The NCDC list, in chronological order, included:

- **The Groundhog Day Blizzard** (January 29-February 3): This large winter storm impacted numerous central, eastern and northeastern states, and brought Chicago to a virtual standstill.
- **Midwest/Southeast Tornadoes** (April 4-5): Forty-six tornadoes swept a total of 10 central and southern states.
- **Southeast/Midwest Tornadoes** (April 8-11): Fifty-nine tornadoes are believed to have formed within this timeframe, hitting nine central and southern states.
- **Midwest/Southeast Tornadoes** (April 14-16): About 160 tornadoes are estimated to have hit 10 states in the central and southeastern portions of the U.S.
- **Southeast/Ohio Valley/Midwest Tornadoes** (April 25-30): More than 300 tornadoes caused 327 deaths in the U.S. in late April, with 240 of the fatalities occurring in Alabama. Twelve other central and southern states were also impacted adversely by a series of tornadoes that caused nearly $7 billion in insured losses.
- **Midwest/Southeast Tornadoes** (May 22-27): The EF-5 tornado which struck Joplin, Missouri on May 22 is the single deadliest tornado to strike the U.S. since ?modern tornado record keeping began in 1950,? the NCDC observed. Fourteen other central and southern states were hit by this tornado outbreak in late May.
- **Southern Plains/Southwest Drought, Heat Wave and Wildfires** (Spring-Summer): Texas, Oklahoma, New Mexico, Arizona, southern Kansas, western Arkansas and Louisiana were the regions of the U.S. hardest hit by these conditions.
- **Mississippi River Flooding** (Spring-Summer): Unusually heavy rains, combined with a melting snowpack, caused severe flooding along the Mississippi River and its tributaries.
- **Upper Midwest Flooding** (Spring-Summer): These floods prompted the evacuation of nearly 11,000 people in Minot, North Dakota, as the Souris River overflowed. Numerous levees were breached along the Missouri River, flooding thousands of acres of farmland, as well.
- **Hurricane Irene** (August 20-29): Irene made landfall in North Carolina as a Category 1 hurricane, and moved northward up the Atlantic seaboard, causing major flooding in New Jersey, upstate New York, and Vermont. The insurance claims payouts resulting from Irene?s journey up the East Coast are estimated at up to $6 billion, according to risk modelers.

The I.I.I. has created three charts chronicling the number of federal disaster declarations in the U.S. overall, and by state, dating back to 1953: they can be found here. Looking back nearly 60 years, Texas and California have had the highest number of federal disaster declarations whereas three states are tied for having the fewest: Wyoming, Utah and Rhode Island.

RELATED LINKS

Issues Update: Catastrophes and Insurance Issues
Issues Update: Flood Insurance
Facts and Statistics: Flood Insurance
Facts and Statistics: Homeowners Insurance
Issues Update: Hurricane Deductibles
Facts and Statistics: Hurricanes
Hurricane Fact Files by State
How to Protect Your Home From Water Damage

THE I.I.I. IS A NONPROFIT, COMMUNICATIONS ORGANIZATION SUPPORTED BY THE INSURANCE INDUSTRY.

Insurance Information Institute, 110 William Street, New York, NY 10038, (212) 346-5500

Back to top