Damage From Blizzards, Winter Storms Covered By Most Standard Insurance Policies, Says The I.I.I.

Winter Storms Accounted For 7.5 Percent Of All Catastrophe Losses In 2015

February 9, 2017

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NEW YORK, February 9, 2017? With severe snow and wind conditions currently hitting New England and the New York City metropolitan area, physical damage to homes, cars and businesses is likely. Fortunately, most insurance policies are designed to cover winter storm-related losses, according to the Insurance Information Institute (I.I.I.).

- Standard homeowners policies provide coverage for damage caused by wind, snow, severe cold and freezing rain. Melting snow that seeps into a home is covered by flood insurance, which is provided by FEMA?s National Flood Insurance Program, and a few private insurers. Additional living expenses (ALE) would pay for reasonable expenses incurred by living elsewhere while a home is being repaired.
- Auto accidents caused by slippery road conditions are covered under standard auto insurance policies. Damage to a car caused by winter conditions, such as falling ice or a collision with an object, is covered by the optional comprehensive and collision portions of an auto policy.
- Business Insurance policies provide coverage for property damage and losses to inventory. Business income insurance (also known as business interruption) is typically included in a Business Owners Policy (BOP) or a Commercial policy and provides for revenue lost due to closure, fixed expenses, such as rent and utility costs as well as expenses of operating from a temporary location.

?Mother Nature is unpredictable, but insurance is not,? said Sean Kevelighan, CEO of the I.I.I. ?Insurance is an important element in the recovery process that helps get people back into their homes and their businesses

back up and running.?

Winter storms were the second largest cause of insured U.S. catastrophe losses for the period of 2006?2015. Winter storms caused \$1 billion in insured losses in 2016, up dramatically from just \$38 million in 2012.

From 1996 to 2015 U.S. winter storms resulted in about \$30 billion in insured catastrophe losses (in 2015 dollars), or about \$1.5 billion a year on average, according to Property Claim Services (PCS).

Natural Catastrophe Losses In The United States, 2019

(Based on perils; US\$ millions)

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| Peril | Number of event (2) | Fatalities | Overall damage in mio. US\$ Original values | Insures losses in mio. US\$ Original values (3) |
|-----------------------------------|---------------------|------------|---|---|
| Wildfire, heat waves, and drought | 9 | 11 | 1,300 | 830 |
| Fropical cyclone | 5 | 16 | 3,900 | 1,900 |
| Sever thunderstorm | 49 | 70 | 27,000 | 20,300 |
| Vinter storms and cold waves | 16 | 73 | 7,400 | 2,100 |
| Flood, flash flood | 9 | 7 | 10,100 | 200 |
| Earthquake and geopyhsical | 2 | 3 | 180 | 50 |
| otal | 90 | 180 | 49,900 | 25,500 |

Source: © 2020 Munich Re, NatCatSERVICE; Property Claim Services (PCS®)*, a Verisk Analytics® business. As of June 2020.

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