

Deadly Tornadoes Sweep through Arkansas and Six Other States, Causing Death and Destruction; Insurers Responding Swiftly

April 28, 2014

SHARE THIS

- [DOWNLOAD TO PDF](#)

SPONSORED BY

FOR IMMEDIATE RELEASE

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

NEW YORK, April 28, 2014 ? Insurers are rushing today to the seven states hit yesterday by a total of 30 tornadoes, some of which caused fatalities, according to the Insurance Information Institute (I.I.I.).

Standard homeowners and business insurance policies cover wind damage to the structure of insured buildings and their contents, if caused by hurricanes, tornadoes or thunderstorms.

FEMA's Monday, April 28, Daily Briefing said 15 of the 30 tornadoes on Sunday, April 27, struck Arkansas, with the balance touching down in Iowa (5), Kansas (4), and Nebraska (3). Louisiana, Missouri, and Oklahoma were the site of one tornado each yesterday, according to FEMA.

Sixteen of the 19 reported fatalities occurred in Arkansas, FEMA's briefing added. Two unconfirmed deaths occurred in Oklahoma, and another in Kansas.

Eighty percent of U.S. natural disaster related insurance claims payouts in 2013 were attributable to tornadoes and severe thunderstorms? \$10.27 billion out of total estimate of \$12.79 billion, according to remarks made in February 2014 by I.I.I. president Robert Hartwig, at the National Tornado Summit (see slide #4) in Oklahoma City, Oklahoma. No state incurred more insured damages because of natural disasters last year than Oklahoma, with nearly \$2 billion in claims payouts made to its policyholders, many of them impacted by a series of tornadoes in May 2013.

Tornadoes are among the largest causes of insured losses in any given year, accounting for 36 percent of all insured losses since 1983.

Insurance coverages that will likely come into play as the communities affected by this weekend's storms recover are listed below:

Homeowners insurance policies, beyond covering wind-caused damage, also provide for additional living expenses (ALE). ALE coverage pays the added costs of living away from home if you cannot inhabit your house due to damage from an insured disaster. It covers hotel bills, restaurant meals and other such expenses incurred while your home is being rebuilt.

Damage to vehicles from a tornado is covered under the **optional comprehensive portion** of a **standard auto** insurance policy. Three out of four U.S. drivers choose to purchase comprehensive coverage.

Damage to businesses from a tornado is covered under **business income** (also known as business interruption) insurance, providing the property housing the business was hit directly. These policies cover the revenue a business would have earned, based on its financial records, had the disaster not occurred. The policy also covers additional operating expenses incurred as a result of the disaster, such as the extra expenses involved in operating out of a temporary location.

RELATED LINKS:

- Facts and Statistics: Tornadoes and Thunderstorms
- Article: Tornado Safety

The I.I.I. has a full library of educational videos on its You Tube Channel. Information about I.I.I. mobile apps can be found here.

**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; www.iii.org

[Back to top](#)