

Number, Cost of Homeowners Insurance Claims From Lightning Fell In 2013; Dry Conditions, Fewer Powerful Thunderstorms A Contributing Factor

Lightning Safety Awareness Week is June 22-28

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NEW YORK, June 19, 2014 ? Insured losses to homes from lightning strikes in the United States fell to their lowest level in a decade last year, as severe thunderstorm activity eased from near-record levels and dry weather prevailed throughout much of the western half of the country. Despite the respite, insurers still paid \$673.5 million in lightning claims to more than 100,000 policyholders in 2013, according to the Insurance Information Institute (I.I.I.).

Although total insured losses from lightning were down by nearly one-third (30.5 percent) in 2013, the decline since 2004 is a much more modest 8.4 percent. In the prior three years (2010 ? 2012), home insurers paid approximately \$1 billion per year, on average, to policyholders.

An analysis of homeowners insurance data by the I.I.I. and State Farm® found there were 114,740 insurer-paid lightning claims in 2013, down 24 percent from 2012. The average lightning paid-claim amount was also down in 2013, slipping by 8.3 percent to \$5,869 from \$6,400 in 2012.

The decline in lightning damage last year is consistent with data from the National Weather Service, which recorded 137 days in 2013 with lightning causing property damage, while 160 such days were recorded in 2012?a 14 percent decrease.

The incidence of lightning claims last year is also a continuation of a downward trend. Since 2004, the number of paid lightning claims is down nearly 60 percent over the nine-year period through 2013. The sustained decline in the number of claims may be attributed to an increased use of lightning protection systems, technological advances, better lightning protection and awareness of lightning safety as well as

fewer lightning storms.

?While this is good news for homeowners, lightning is still an extremely costly weather-related event,? warned the I.I.I.

HOMEOWNERS INSURANCE CLAIMS AND PAYOUT FOR LIGHTNING LOSSES, 2004-2013

Year	Number of Claims	Value of Claims (\$ millions)	Average Cost Per Claim
2004	278,000	\$735.5	\$2,646
2005	265,700	819.6	3,084
2006	256,000	882.2	3,446
2007	177,100	942.4	5,321
2008	246,200	1,065.5	4,329
2009	185,789	798.1	4,296
2010	213,278	1,033.5	4,846
2011	186,307	952.5	5,112
2012	151,000	969.0	6,400
2013	114,740	673.5	5,869
% change, 2004-2013	-58.7%	-8.4%	121.8%
% change, 2012-2013	-24.0%	-30.5%	-8.3%

Source: Insurance Information Institute, State Farm®.

Despite the drop in the number of paid claims in 2013, the average cost per claim rose nearly 122 percent from 2004-2013. By comparison, the consumer price index rose by 23.3 percent in the same period.

The average cost per claim has generally continued to rise, in part because of the huge increase in the number and value of consumer electronics in homes, according to the I.I.I.

TOP 10 STATES WITH ESTIMATED NUMBER AND COST OF LIGHTNING CLAIMS, 2013

State	Number of Claims	Insured Losses (\$ millions)	Average Cost per Claim
GA	11,184	\$56.0	\$5,007
TX	6,419	54.2	8,436
NC	5,711	34.1	5,965
LA	5,547	21.6	3,902
AL	5,199	34.8	6,702
PA	4,483	22.4	4,987
TN	4,317	23.2	5,381
SC	4,011	23.1	5,755
OH	3,942	17.1	4,344
IL	3,849	25.6	6,646
Top 10	54,662	312.1	5,709
Other	60,078	361.4	6,015
U.S.	114,740	673.5	5,869

Source: Insurance Information Institute, State Farm®.

The I.I.I. noted that Georgia was the top state for lightning claims in 2013. The state had an estimated 11,184 claims paid to policyholders, totaling \$56 million. Texas, however, had the highest average cost per claim at \$8,436, but had about one-third fewer claims than Georgia.

Insurance Coverage Damage caused by lightning, such as fire, is covered by standard homeowners and business insurance policies. Some home and business policies provide coverage for power surges that are the direct result of a lightning strike. The optional comprehensive portion of an auto insurance policy also provides coverage for lightning damage.

Reducing the Risk of Lightning Damage In recognition of Lightning Safety Awareness Week (June 22-28), consider the following tips from the Lightning Protection Institute and the Insurance Institute for Business & Home Safety (IBHS) to protect your home or business against lightning.

- Have a lightning protection system installed for your home or business.
- Be sure the lightning protection system is designed and installed in accordance with accepted industry standards and meets National Fire Protection Association, Lightning Protection Institute and UL requirements.
- Include protection for electrical, telephone, cable or satellite TV lines entering the structure.
- Make sure all equipment is UL-listed and properly labeled.

Lightning protection systems are designed to protect a structure and provide a specified path to harness and safely ground the super-charged current of the lightning bolt. The system neither attracts nor repels a strike, but receives the strike and routes it harmlessly into the earth, thus discharging the dangerous electrical event. Investment in a lightning protection system will protect your property, belongings and equipment.

Lightning Safety Tips

“Lightning-related fires are more common in summer months and in the late afternoon and evening,” said Kim Loehr, Director of Communications for the LPI. “Peak seasons for lightning related fires vary by region, as do weather patterns in general,” she said. “No matter what the season or the region, if you are outside and hear thunder, seek indoor shelter right away. Most lightning victims are just steps away from safe shelter.”

The Lightning Protection Institute also advises the following:

Outdoors

- Seek lower elevation areas.
- Never use a tree for shelter.
- Immediately get out and away from pools, lakes and other bodies of water.
- Stay away from all metallic objects (fences, power lines, poles, etc.)
- Do not raise umbrellas or golf clubs above you.

Indoors

- The safest place to be in a storm is in a structure protected with an LPI certified lightning protection system.
- Stand clear from windows, doors and electrical appliances. Unplug appliances well before?never during?the storm.
- Avoid contact with piping including sinks, baths and faucets.
- Do not use the telephone, except for emergencies. Cellphones are safe to use.

The LPI will hold its **Lightning Safety Awareness Week workshop at the University of Maryland's Earth System Science Interdisciplinary Center (ESSIC)** in College Park, Maryland, on Tuesday, June 24, at 10:00 a.m. Lightning science and safety experts include the University of Maryland, National Oceanic and Atmospheric Administration, Lightning Protection Institute, Insurance Information Institute, Lightning Safety Alliance, Earth Networks, and the Federal Alliance for Safe Homes. Click [here](#) for more information and to register for the event, or call Abby Robinson at 301-405-5845.

RELATED LINKS

- Insurance Issues Update: Catastrophes
- Facts and Statistics: Lightning
- Lightning Videos:

ADDITIONAL RESOURCES

- Insurance Institute for Business & Home Safety
- NOAA Lightning Safety page
- National Weather Service
- National Fire Protection Association

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