



HURRICANE SCIENCE AND EDUCATION SYMPOSIUM

“Living with Hurricanes: Hazards, Impact, Preparation and Mitigation”

**Tulane University,
Center for Bioenvironmental Research
New Orleans, LA
October 25, 2010**

Jeanne M. Salvatore

**Senior Vice President – Public Affairs and Consumer Spokesperson
Insurance Information Institute ♦ 110 William Street ♦ New York, NY 10038**

jeannes@iii.org or [twitter@JeanneSalvatore](https://twitter.com/JeanneSalvatore)

Presentation Outline

- Overview of the I.I.I. Mission
- Cost of Hurricanes in the U.S.
- Preparing for a Hurricane
 - Insurance
 - Home inventory
 - Evacuation Plan
 - Take Steps to Mitigate against Property Damage
- Current Level of Preparedness
- I.I.I. Resources

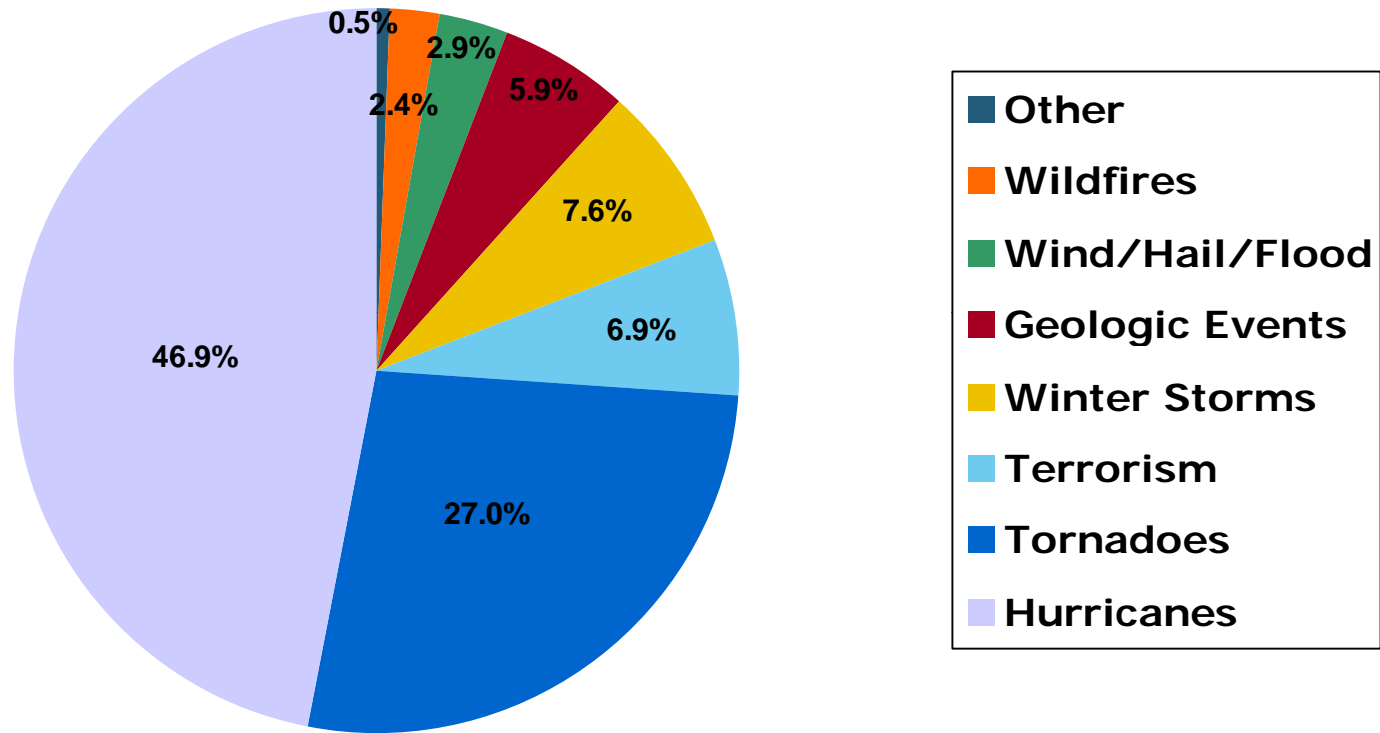
What is the Mission of the I.I.I.?

- The mission of the Insurance Information Institute is to build public understanding of insurance—what it does and how it works—primarily through the media.
- The I.I.I. is dedicated to making sure the media covers our business fairly and accurately. At the same time, I.I.I. assists its member companies with their communications, information and planning needs.



Cost of Hurricanes in the U.S.

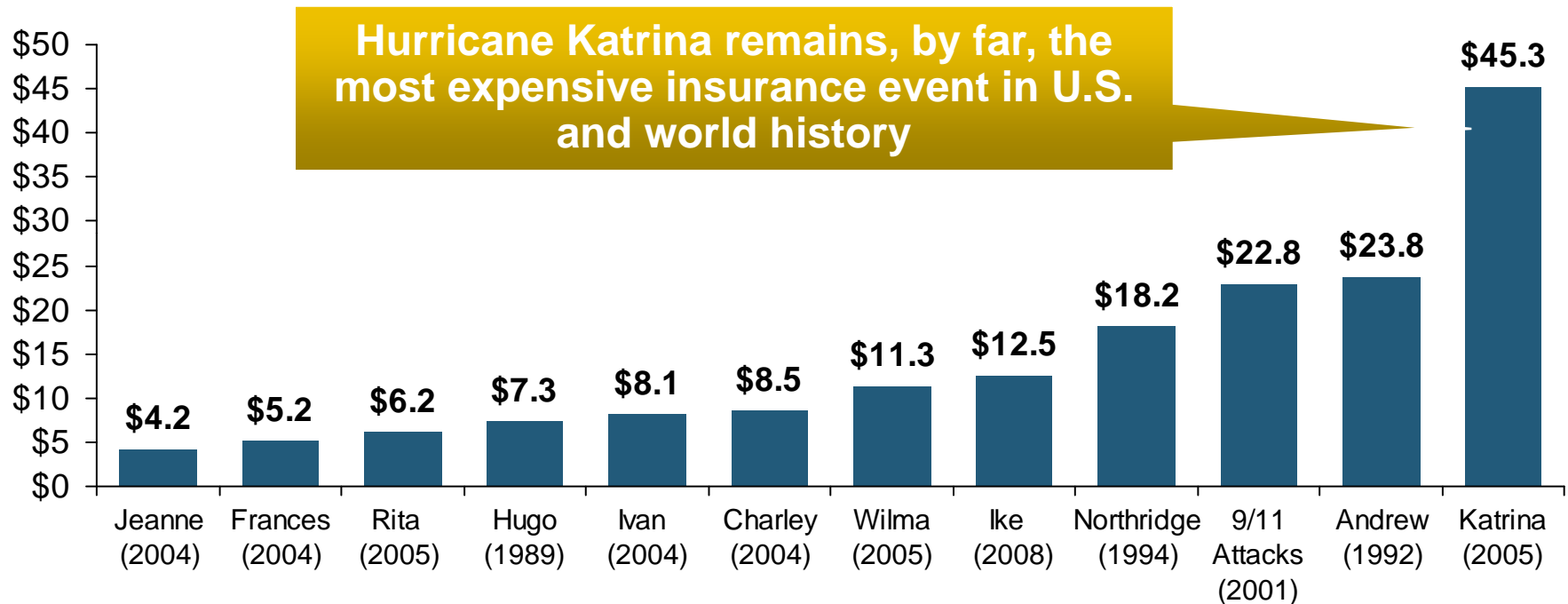
Inflation Adjusted US Insured CAT Losses by Cause of Loss, 1989-2008*



Hurricanes Account for Nearly Half of All Insured Catastrophe Losses Over the Past 20 Years

Top 12 Most Costly Disasters in US History

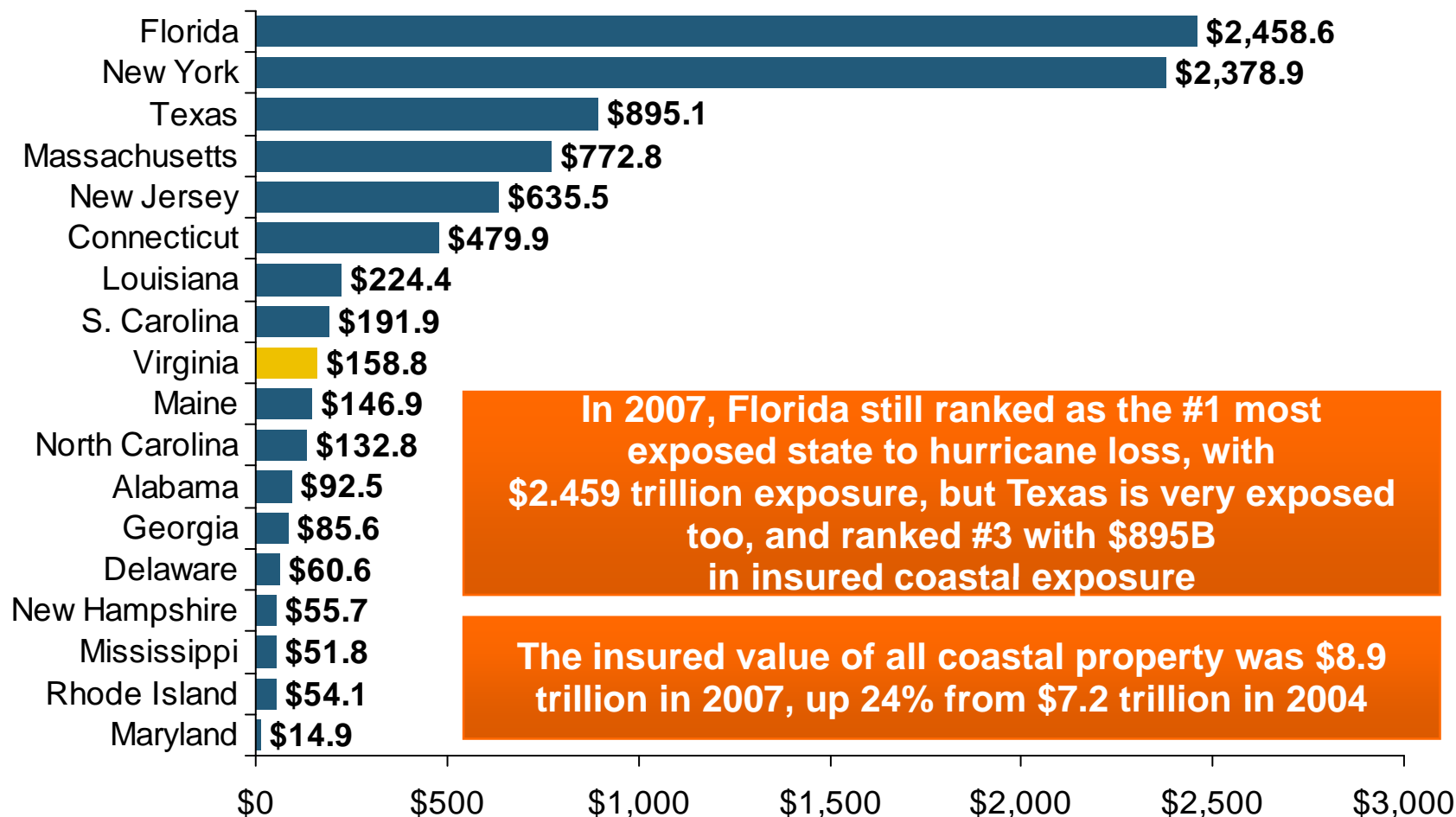
(Insured Losses, 2009, \$ Billions)



Eight of the 12 most expensive disasters in U.S. history have occurred since 2004; 10 of the top 12 were hurricanes
Eight of the top 12 disasters affected Florida

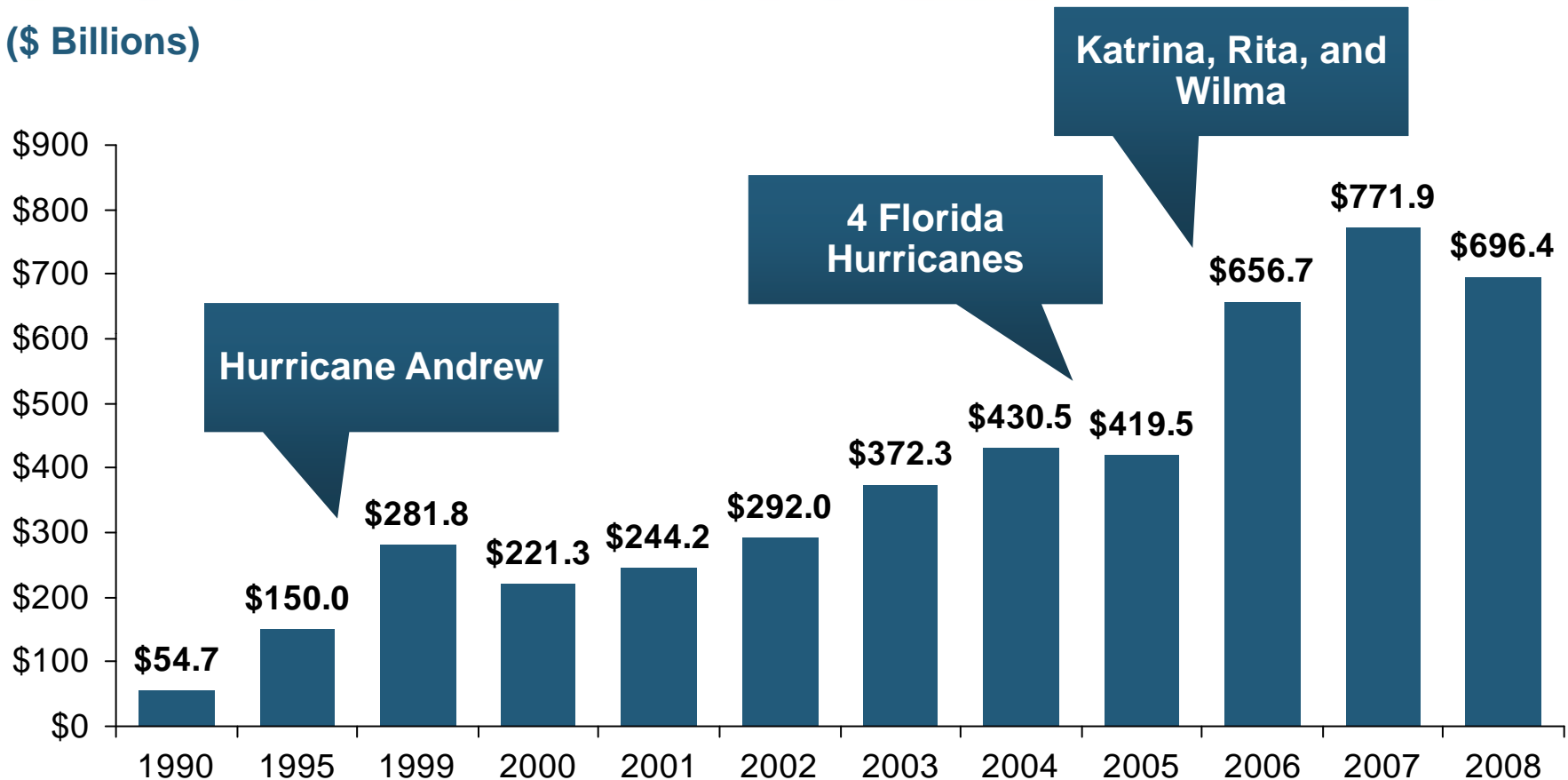
Total Value of Insured Coastal Exposure

(2007, \$ Billions)



US Residual Market Exposure to Loss

(\$ Billions)



In the 19-year Period Between 1990 and 2008, Total Exposure to Loss in the Residual Market (FAIR & Beach/Windstorm) Plans Has Surged from \$54.7B in 1990 to \$696.4B in 2008

- The Atlantic Coast, the Gulf of Mexico and the Hawaiian Islands are home to the U.S. counties most vulnerable to hurricanes. These counties account for nearly two-thirds of the nation's coastline population, according to the U.S. Bureau of the Census
- Of the 11 most hurricane-prone counties, five are in Louisiana, three are in Florida and two are in North Carolina.
- 75.7 percent of the Florida population resides in coastal counties, compared with 32.3 percent in Louisiana, 9.9 percent in North Carolina and 47.7 percent for the total United States.



Preparing for Hurricanes

Hurricanes are Covered

- The good news is that typical home, renters and business insurance policy provides coverage against hurricanes, tornadoes and wind. There is also coverage for the cost of additional living expenses while the structure is being repaired or rebuilt after being damaged.
- To be covered for flooding, you would need purchase a flood insurance policy either from the National Flood Insurance Program or from some private insurance companies. Excess Flood insurance is also available from private insurance companies. 90 percent of all natural disasters have some form of flooding
- Flood damage is covered under the optional comprehensive portion of the standard auto policy, which more than 75 percent of drivers who buy auto liability insurance purchase.

Four ways to prepare for a hurricane

1. Review your insurance before you need to file an insurance claim
2. Conduct a home inventory
3. Take steps to make your home disaster-resistant
4. Have an evacuation plan

1. Review your insurance before you need to file an insurance claim

- Everyone needs to have enough insurance to rebuild their home and replace all of their personal belongings.
- Find out what is and is not covered before you have a loss, and keep insurance up-to-date.
- Plan ahead for a hurricane deductible which exists in coastal states from Maine to Texas,
- Ask about flood insurance.

2. Conduct a home inventory

- This is a detailed list of all your personal possession. It helps you:
 - Purchase the right amount of insurance
 - Identify specific items that may need a floater or endorsement.
 - File an insurance claim
 - Apply for disaster aid/or tax deductions for unreimbursed insurance losses.

3. Take steps to make your home disaster resident

- ◆ Install storm shutters to protect your windows or use plywood panels, which can be nailed to window frames when a storm approaches.
- ◆ Make sure exterior doors have at least three hinges and a dead bolt lock that is at least one-inch long. Sliding glass doors should be made of tempered glass and covered with shutters or plywood.
- ◆ Replace old garage doors and tracks with a door that is approved for both wind pressure and impact protection. Wind coming into your house through an opening this large can cause serious problems in the rest of your home, especially for your roof

4. Have an Evacuation Plan

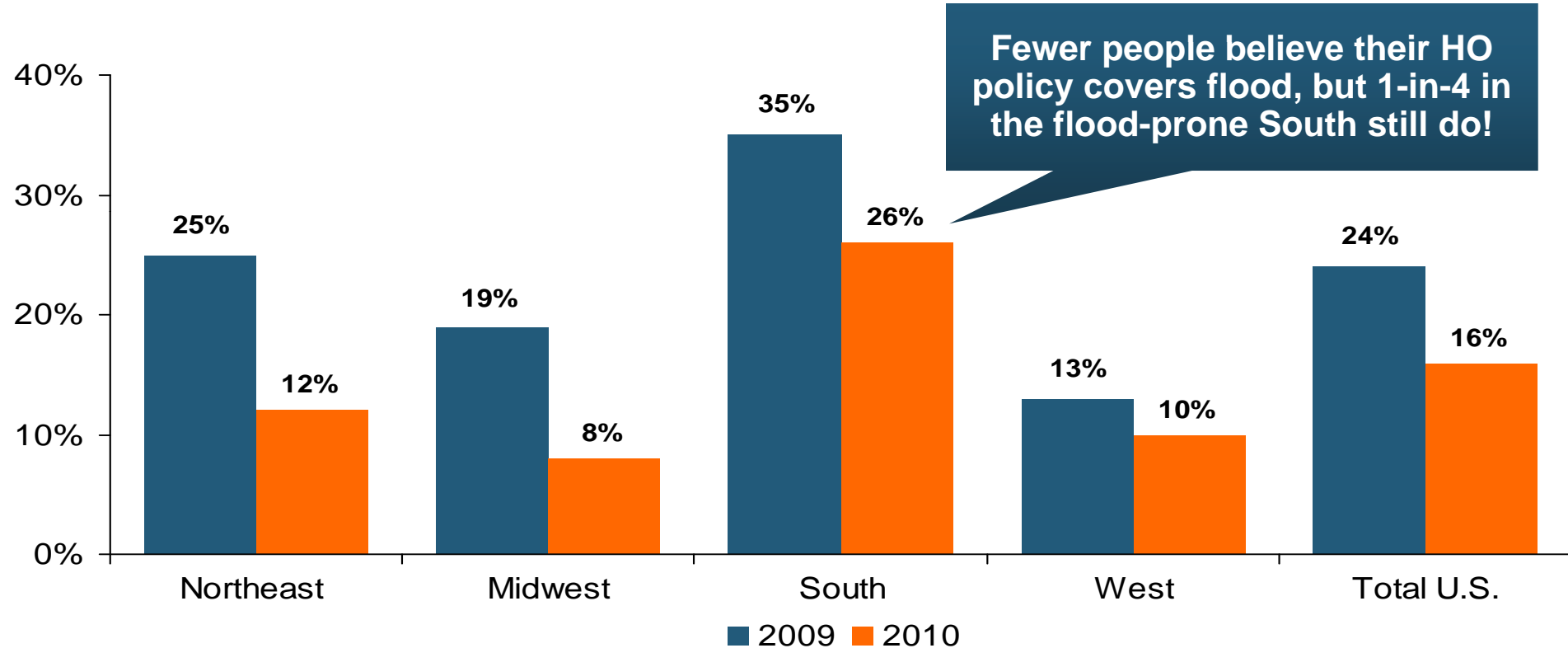
- When a hurricane is approaching, advanced planning really matters. Decide ahead of time where you will go and how you will get there, and have more than one option. If you have pets, contact your veterinarian for a list of preferred boarding kennels and facilities or ask your local animal shelter if they provide emergency shelter or foster care for pets. Also identify hotels or motels outside of your immediate area that accept pets. For more information see [Protecting Your Pet During a Disaster](#).
- The I.I.I. also recommends practicing your evacuation plan by doing a test run: giving yourself just 10 minutes to pack up your family, pets and important items and get out—possibly for good. For a video on the subject, see [Ten Minute Challenge](#).



Current Level of Preparedness

Consumer Poll: I.I.I. *Pulse* Survey

**Q. Does your homeowners policy cover damage from flooding during a hurricane?
(Asked of those who have homeowners insurance.) Respondents answering “yes”.**

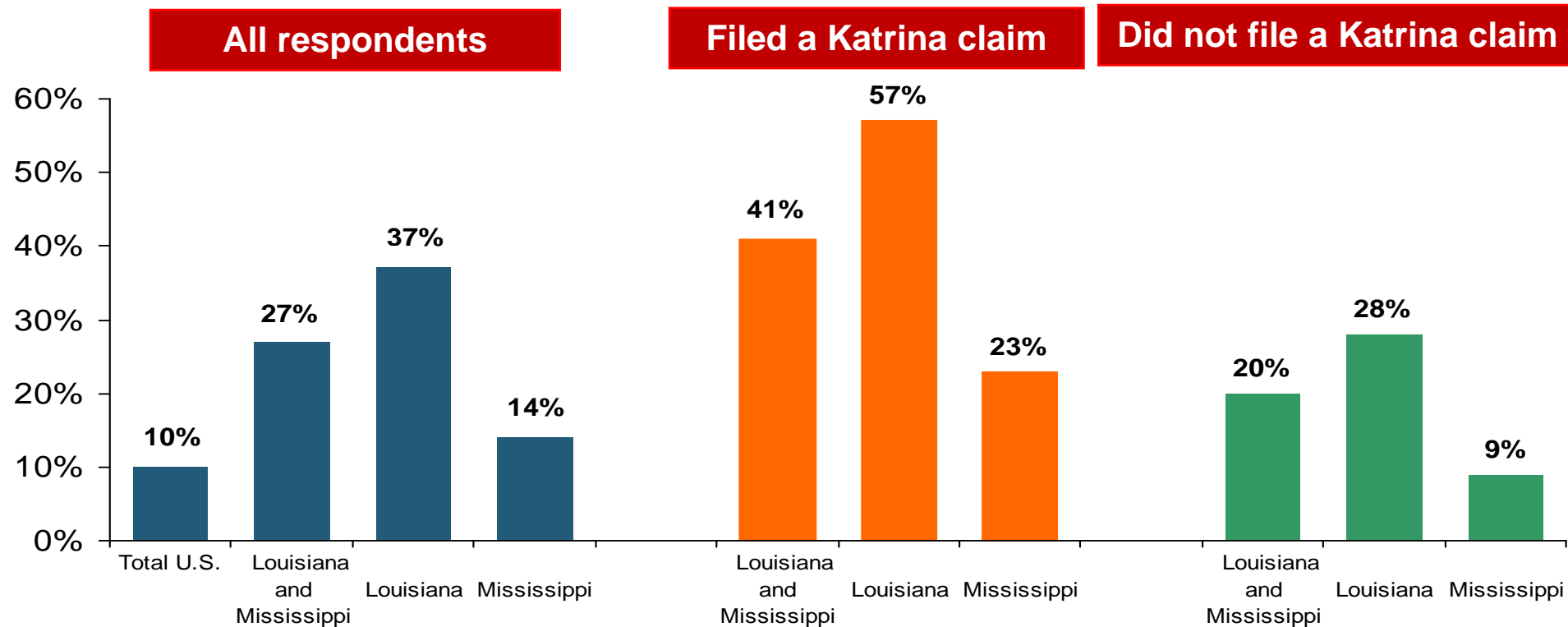


16% of Americans Believe Their Homeowners Policy Covers Damage From Flooding During a Hurricane, Compared With 24% a Year Ago, Down Eight Points

Consumer Poll: I.I.I. *Pulse* Survey

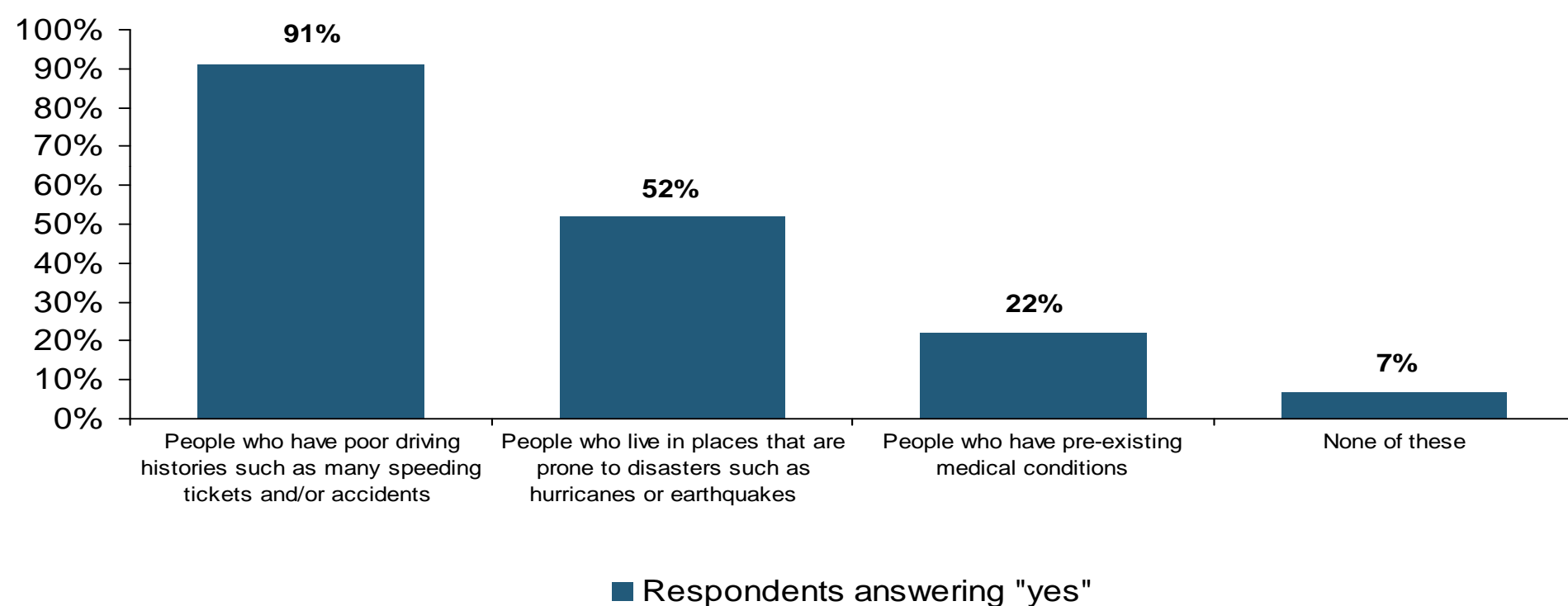
Q. Do you have a separate flood insurance policy?

57% of Katrina Claimants in Louisiana and 23% in Mississippi Have a Flood Insurance Policy compared with 10% for the Nation as a Whole



Consumer Poll: I.I.I. *Pulse* Survey

Q. Should insurance companies be allowed to charge higher insurance premiums for...

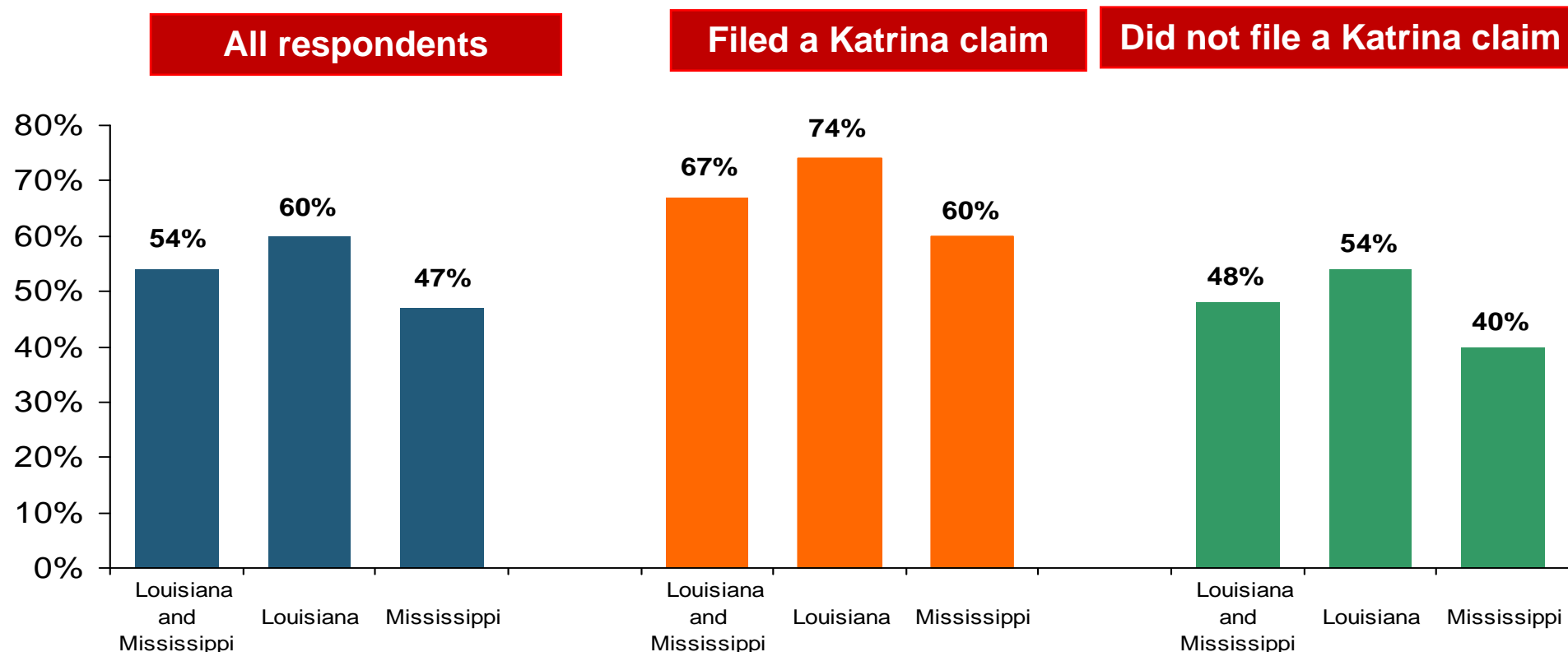


Many People Believe the Cost of Insurance Should Reflect the Risks Over Which an Individual Has Some Control

Consumer Poll: I.I.I. *Pulse* Survey of LA and MS Residents

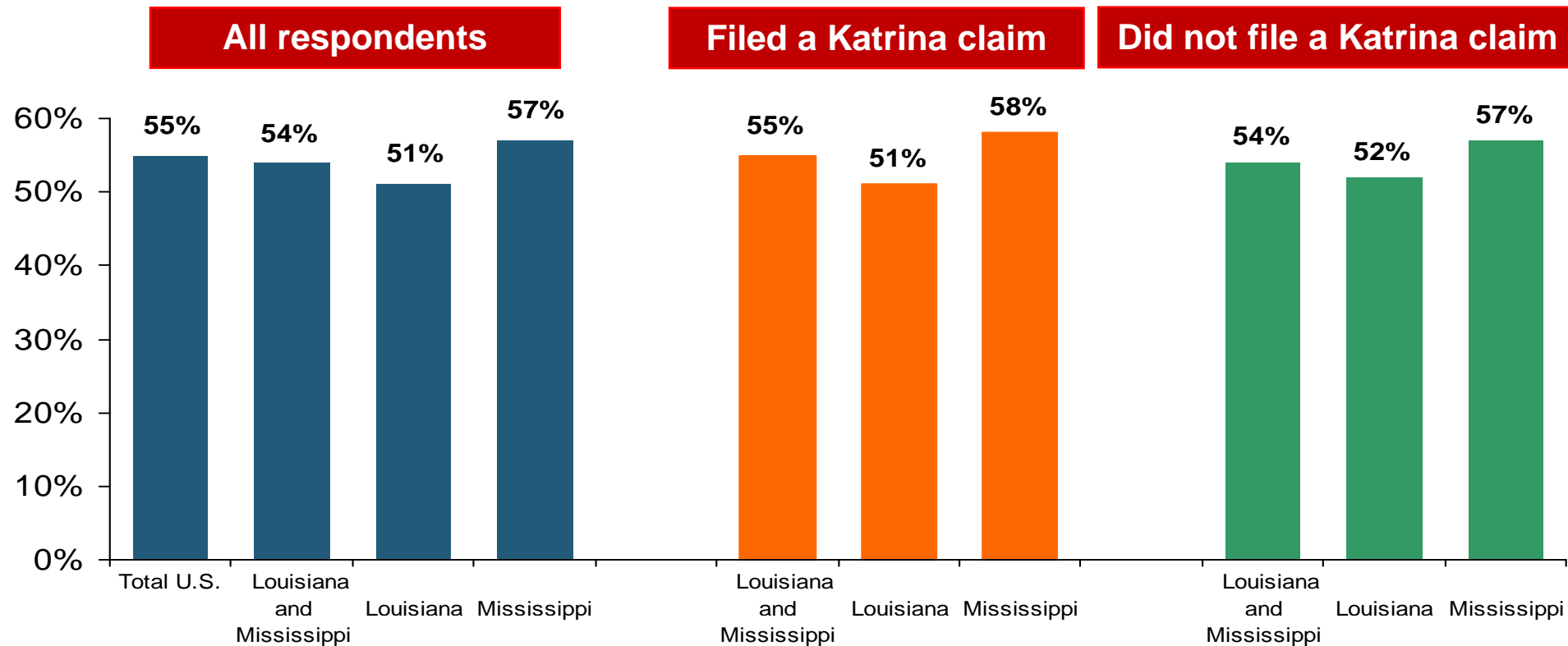
Q. Are you more prepared for a hurricane now than you were before Hurricane Katrina?
(Note: Question not asked in the U.S. poll.)

Katrina Claimants in Louisiana and Mississippi (67%) Say They Are More Prepared for a Hurricane Today Than Those Who Did Not File a Claim (48%)



Consumer Poll: I.I.I. *Pulse* Survey of LA and MS Residents

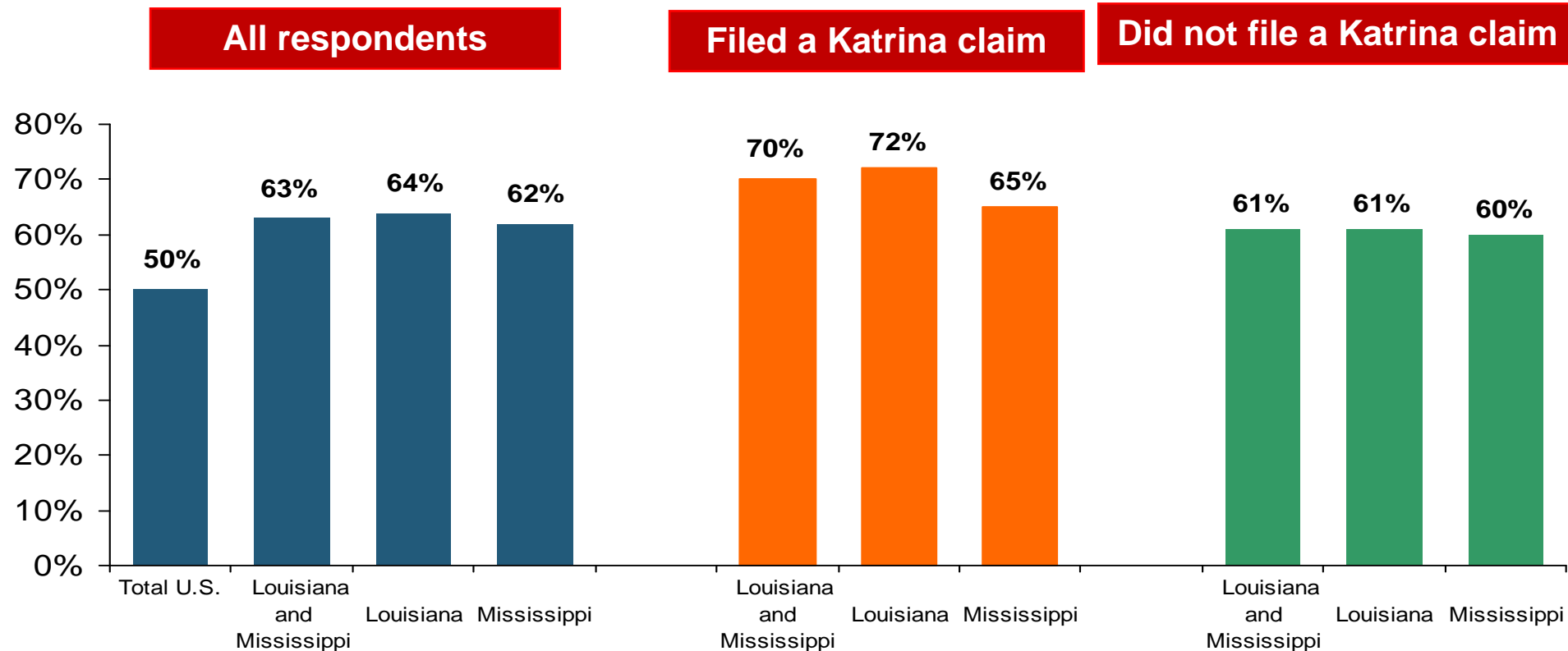
Q. Will the government pay for damage to your home that is not covered in your homeowner's policy?



Consumer Poll: I.I.I. *Pulse* Survey

Q. Do you have an inventory of your possessions to help document losses to your insurer in case of a disaster?

70% of Katrina Claimants Say They Have an Inventory of Their Possessions Compared with 50% of the Nation as a Whole





I.I.I. Resources



MY iii

- subscriptions
- profile
- searches
- shopping cart

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

Home

INSURANCE TOOLS

Our handy insurance tools are for consumers, media, and industry insiders.

- >> DIRECTORY
- FIND AN INSURANCE COMPANY
- GLOSSARY OF INSURANCE TERMS
- AUTO CRASH TEST

EN ESPAÑOL

El Insurance Information Institute pone a su disposición los conceptos básicos necesarios para elegir y obtener protección para muchos de estos imprevistos que ponen en peligro la tranquilidad y las finanzas familiares.

Temporada De Huracanes ¿Cómo Prepararse?

¿Qué Son Los Diferentes Tipos De Anualidades?

ALL COVERAGE EN ESPAÑOL

PUBLICATIONS

Now it's easy for you to find all of our publications. We have everything from free consumer brochures, pamphlets and books and even downloadable versions of our publications that you can get right now online.



Insurance Handbook

A guide to the insurance industry for reporters, public policymakers.



WELCOME TO THE

Insurance Information Institute:

improving public understanding of insurance—what it does and how it works.

Member Company? [REGISTER](#) User? [SUBSCRIBE](#)



iii spotlight

Regulation Modernization

JULY 20, 2010 | [FULL STORY](#)

Congress has approved a sweeping overhaul of financial services regulation. The Dodd Frank Wall Street Reform and Consumer Protection Act establishes the Federal Insurance Office (FIO), an entity that will report to Congress and the President on the insurance industry. For a summary of the new law, see the I.I.I.'s background paper on Regulation Modernization.

CONSUMERS

Making Sure Your Home Is Properly Covered for a Disaster

iii wire

Before Installing a Swimming Pool, Consider the Insurance and Safety Implications

With temperatures soaring, a pool might seem like a good idea, but it is important to educate yourself about water safety first.

JULY 08, 2010 | [FULL STORY](#)

As You Head Out for Vacation, Protect Your Home and Your Identity Against Burglars

NFIP Policies Cover Property Damage Caused by Oil in Flood Waters

Review Your Homeowners Policy For Hurricane Deductibles

blog > [TERMS+CONDITIONS](#)



Buyers' Market Continues

JULY 20, 2010

Financial Services Reform: Just the Beginning

JULY 19, 2010

[ALL BLOG POSTS](#)



HOMEOWNERS
+ RENTERS



AUTO



LIFE



BUSINESS

[SEARCH >](#)

Improving public understanding of insurance in Florida— what it does and how it works



STRAIGHT TALK *Blogging about insurance in Florida*

[+ Share This Story](#)



Sinkhole insurance and your options

AUGUST 16, 2010 |

Experts can predict the weather, but they can't predict [sinkholes](#). We have more sinkholes in Florida than any other state, and some areas are more vulnerable to sinkholes, such as West Central Florida and Tampa Bay, and they open up when it is very dry or very wet. So, rainy season is hurricane season is sinkhole season.

[More](#)

MORE FROM THE STRAIGHT TALK BLOG

- Consumers benefit in fight against auto insurance fraud | AUGUST 13, 2010
- Sinkholes Sinking Citizens Insurance | JULY 30, 2010
- Got new stuff? Update your home inventory | JULY 26, 2010

INSURING FLORIDA WIRE

INSURANCE 101

Who regulates insurance companies?

Insurance is regulated by the states, with each state having its own set of statutes and rules. State insurance departments oversee insurer solvency, review market conduct, rule on requests for rate increases, among other things. Click on the link to learn more.

[FLORIDA OFFICE OF INSURANCE REGULATION](#)

SOFTWARE



BUSINESS
INVENTORY

Business Inventory Software

KNOW YOUR STUFF®
BUSINESS INVENTORY

Online inventory software specifically designed for businesses.

[MORE](#)



HOME
INVENTORY

Home Inventory Software

KNOW YOUR STUFF®
HOME INVENTORY

Online software to help you create a room-by-room inventory

[MORE](#)

I.I.I. VIDEO



Be A Responsible Dog Owner

Dogs may be man's best friend, but as an owner you are liable if your pet bites another person or animal. A

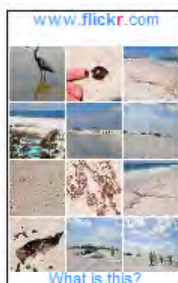
[Press Room](#)[Toll-Free Claims Numbers](#)[Brochures](#)[Current Disasters](#)[Past Disasters](#)[About](#)

CURRENT DISASTERS | **FOURMILE CANYON WILDFIRE** | **NASA** — Friday, September 10, 2010 15:39

SATELLITE IMAGE: Colorado Wildfire



Flickr



[What is this?](#)



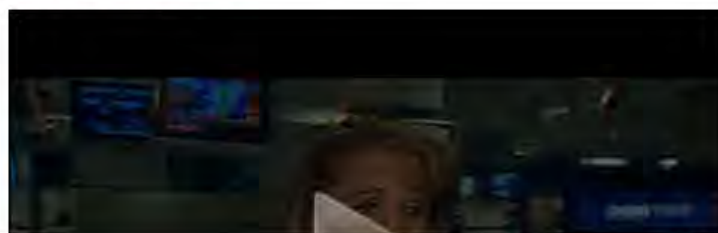
Software



CURRENT DISASTERS | **FOURMILE CANYON WILDFIRE**

September 10, 2010 at 6:57 pm - 0 Comments

VIDEO: What Fire Victims Need to Know About Insurance



Search



I.I.I. Links

[I.I.I. Directory](#)

[I.I.I. Disaster Preparedness](#)

[I.I.I. Glossary](#)

[I.I.I. Issues Updates](#)

[I.I.I. Natural Disasters](#)

[I.I.I. Videos](#)



Facts+Statistics

[Crime](#)

Each of the property crime categories tracked by the FBI dropped in 2009: motor vehicle theft (17.1 percent), larceny-theft (4.0 percent), and burglary (1.3 percent), according to the latest Uniform Crime Report.

For information

[click here >>](#)

Facts and Stats:



INSURANCE TOPICS

Coverage

+ Business

+ Consumer

Disasters and Risks

Insurance Industry

Features

All Coverage En Español

Insurance Coverage En Español

CONSUMER

ANNUITIES

- ¿Qué es una anualidad?
- Sección de ayuda: Preguntas y respuestas
- ¿Cómo, cuándo y por qué considerar una anualidad como parte del panorama financiero?
- ¿Qué son los diferentes tipos de anualidades?
- ¿Cuáles son las diferencias entre una anualidad fija y una variable?
- ¿Cómo y dónde se adquiere una anualidad?
- ¿En qué se diferencian las anualidades de los seguros de vida?
- ¿Cuánto se debe invertir en una anualidad?
- ¿Cómo recibir las distribuciones o pagos de las anualidades?
- ¿Que son las diferencias entre anualidades diferidas y anualidades inmediatas, y qué es una anualidad vitalicia?
- DEFINICIONES BÁSICAS DE ANUALIDADES

AUTO INSURANCE

- ¿Cómo se hace un reclamo a su aseguradora de automoviles?
- ¿Cuáles son sus derechos cuando introduce un reclamo?
- ¿Cómo se determinan el valor y costo de reparación de su auto?
- ¿Puede su compañía de seguros requerirle el uso de cierto tipo de repuestos para reparar su auto?
- ¿Cuál es la diferencia entre una cancelación y la no renovación de una póliza?
- ¿Qué se incluye en un seguro de auto?
- ¿Qué factores influyen en el precio de una póliza de seguro de auto?
- ¿Se puede manejar legalmente sin seguro de auto?
- ¿Cómo influyen las leyes estatales de conducir a la hora de comprar seguro de auto?

Much of the consumer information on the site is also available in Spanish

Free Web-based Software

 **Know Your Stuff® HOME INVENTORY**

[Forgot Password](#)

[LOGIN](#)

[2008 / 2009 KYS USER LOGIN](#)

Welcome

to Know Your Stuff® – Home Inventory, the Insurance Information Institute's free online home inventory software. This application makes creating and updating your home inventory easy and efficient. And with our free, secure online storage you will have access to your inventory anywhere, any time. You never know when a disaster may strike, but you can be prepared with an up-to-date home inventory.



Are you a new user?

[START NOW](#)



Guided Tour

Find out all about the features offered by Know Your Stuff® – Home Inventory and how to use them.

[VIEW](#)

 **Know Your Stuff® BUSINESS INVENTORY**

[Forgot Password](#)

[LOGIN](#)

[SHARE](#)

Welcome




to Know Your Stuff® Business Inventory, the Insurance Information Institute's online inventory software specifically designed for businesses. An up-to-date Business Inventory is an important component of disaster planning. It can help you:

- Purchase the right amount and type of insurance
- Substantiate property losses to make filing an insurance claim faster and easier

Know Your Stuff® – Business Inventory is a simple, affordable yet powerful and highly scalable application that makes creating, updating and keeping track of your business inventory easy and efficient. And with secure online storage you will have access to your inventory anywhere, any time.









- Only **\$9.95/ month**
- No hardware or support costs
- Hosted at Google and Integrated with Google Apps

		
Facebook: Follow the I.I.I. on Facebook and become a fan to stay connected on breaking news and current insurance topics. Post comments, share opinions and stories.	YouTube: Watch online videos covering a wide range of insurance topics in the extensive I.I.I. video library. Post comments and embed videos to your company's website or blog.	Terms + Conditions blog: Claire Wilkinson's insurance industry blog provides timely information and discussion on contemporary insurance topics.
http://www.facebook.com/InsuranceInformationInstitute	http://www.youtube.com/user/iiivideo	http://www.iii.org/insuranceindustryblog/

		
I.I.I. Insurance Matters website: A site to help public policymakers better understand the unique role played by insurers in managing risk.	Insuring Florida website: An informative site focusing on insurance matters specific to Florida. Includes Lynne McChristian's "Straight Talk" blog.	Twitter: Follow one or all of the I.I.I. feeds to get timely information in your specific area of interest
http://www.iii-insurancematters.org	http://www.insuringflorida.org/	

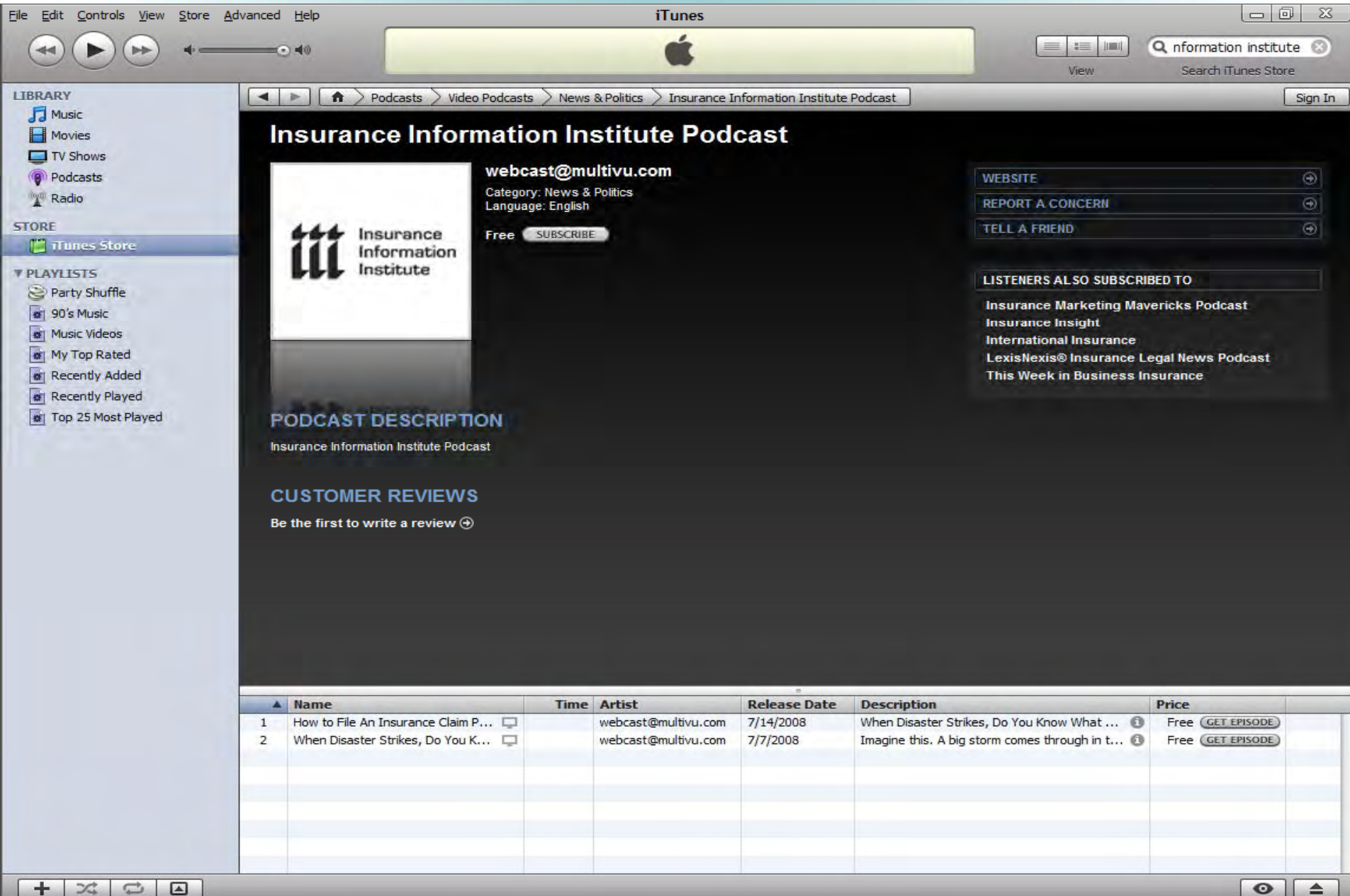
Social Media Users/Traffic

- Facebook: +/- 300 likes
- Twitter: 1,560 followers
- YouTube: 392,224 total views
- T&C Blog: 4,045 page views in August 2010
- Insuring Florida blog: 159 page views in August 2010

	http://www.twitter.com/IIorg
	http://twitter.com/Bob_Hartwig
	http://twitter.com/JeanneSalvatore
	http://twitter.com/LWorters
	http://twitter.com/ElianneGo
	http://twitter.com/III_Research
	http://twitter.com/InsuringFLA
	http://twitter.com/IIIindustryblog



**INSURANCE
INFORMATION
INSTITUTE**





MY iii

- subscriptions
- profile
- searches
- shopping cart

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

[Home](#) | [Insurance Topics](#) | [Coverage](#) | [Consumer](#) | [Homeowners and Renters Insurance](#)

INSURANCE TOPICS

Coverage

- + Business
- + Consumer
 - Annuities
 - Auto Insurance
 - Claims Filing
 - Credit
 - Disability Insurance
 - Health Insurance
 - Homeowners and Renters Insurance
 - Life Insurance
 - Long-term Care Insurance
 - Safety and Mitigation
 - Specialty Insurance

Disasters and Risks

Insurance Industry

Features

All Coverage En Español

QUESTIONS?

ASK THE EXPERT

In our Ask the Expert section we address your most taxing insurance-related questions.

ASK A QUESTION

SOFTWARE

BUSINESS INVENTORY SOFTWARE

I.I.I. Video - Homeowners and Renters Insurance

[EN ESPAÑOL](#) | [B-ROLLS](#) | [ALL VIDEOS](#)


Ask an Insurance Question

Common questions about insurance relating to college students, rental cars, updating your policy and more.

[PLAY](#) [GET EMBED CODE](#) [YOUTUBE](#)


Are You Underinsured?

Do you have enough insurance coverage to completely rebuild your home? Have you talked with your agent recently to update your policy? ... [Read More](#)

[PLAY](#) [GET EMBED CODE](#) [YOUTUBE](#)


Avoiding Insurance Mistakes

Five big mistakes to avoid when making decisions about your insurance. I.I.I. offers tips on how to save money and still properly ... [Read More](#)

[PLAY](#) [GET EMBED CODE](#) [DOWNLOAD](#) [YOUTUBE](#)


Before Buying a Home

When it comes time to buy that dream house, the cost to insure it is often overlooked. The I.I.I. has created a checklist of important ... [Read More](#)

[PLAY](#) [GET EMBED CODE](#) [YOUTUBE](#)


Childproofing Your Home

Every year, five million infants and children are injured, sometimes even fatally, in their own homes. Find out how to

[AUTO CRASH TEST](#)
[GLOSSARY](#)
[DIRECTORIES](#)
[FIND A COMPANY](#)

I.I.I. SPOTLIGHT

Institute for Business & Home Safety Research Center



The Institute for Business & Home Safety has created a unique, state-of-the-art, multi-risk applied research and training facility in Chester County, South Carolina. This facility will significantly advance building science by enabling researchers to more fully and accurately evaluate the impact of natural disasters on various residential and commercial construction materials and systems.

[FULL STORY](#)

I.I.I. VIDEO

Avoiding Insurance Mistakes: Five Tips



Five big mistakes to avoid when making decisions about your insurance. I.I.I. offers tips on how to save money and still properly protect yourself.

[ALL VIDEOS](#)

PRESENTATIONS



Dr. Robert P. Hartwig, CPCU

Workers Compensation Insurance: The Role of State Funds, Market Trends and Economic Influences

This PowerPoint report reviews the role that state funds play in the workers compensation insurance market, noting that social policy, history, economics, insurance market forces and politics have all played important roles in the development of modern workers comp systems, state funds and their structure.



MY iii

- subscriptions
- profile
- searches
- shopping cart

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

[Home](#) | [Insurance Topics](#) | [Coverage](#) | [Consumer](#) | [Homeowners and Renters Insurance](#)

INSURANCE TOPICS

Coverage

- + Business
- + Consumer
 - Annuities
 - Auto Insurance
 - Claims Filing
 - Credit
 - Disability Insurance
 - Health Insurance
 - Homeowners and Renters Insurance
 - Life Insurance
 - Long-term Care Insurance
 - Safety and Mitigation
 - Specialty Insurance

Disasters and Risks

Insurance Industry

Features

All Coverage En Español

Homeowners and Renters Insurance

EN ESPAÑOL

CONSUMER BASICS

- What is homeowners insurance? (ARTICLE)
- What is in a standard homeowners insurance policy? (ARTICLE)
- Are there different types of policies? (ARTICLE)
- What type of insurance do I need for a co-op or condo? (ARTICLE)
- Does my homeowners insurance cover flooding? (ARTICLE)
- What type of disasters are covered? (ARTICLE)
- Can I own a home without homeowners insurance? (ARTICLE)
- Can I get insurance if I rent my home? (ARTICLE)
- How do I take a home inventory and why? (ARTICLE)
- What's the difference between cancellation and nonrenewal? (ARTICLE)

BUYING A POLICY

- How much homeowners insurance do I need? (ARTICLE)
- Do I need special coverage for jewelry and other valuables? (ARTICLE)
- I'm installing a pool—what kind of insurance do I need? (ARTICLE)
- How do I pick an insurance company?

QUESTIONS?

ASK THE EXPERT

In our Ask the Expert section we address your most taxing insurance-related questions.

ASK A QUESTION

SOFTWARE

BUSINESS INVENTORY
SOFTWARE

AUTO CRASH TEST

GLOSSARY

>> DIRECTORIES

FIND A COMPANY

I.I.I. SPOTLIGHT

Institute for Business & Home Safety Research Center



The Institute for Business & Home Safety has created a unique, state-of-the-art, multi-risk applied research and training facility in Chester County, South Carolina. This facility will significantly advance building science by

enabling researchers to more fully and accurately evaluate the impact of natural disasters on various residential and commercial construction materials and systems.

FULL STORY

I.I.I. VIDEO

Avoiding Insurance Mistakes: Five Tips



Five big mistakes to avoid when making decisions about your insurance. I.I.I. offers tips on how to save money and still properly protect yourself.

ALL VIDEOS

PRESENTATIONS



Dr. Robert P. Hartwig, CPCU

Workers Compensation Insurance: The Role of State Funds, Market Trends and Economic Influences

This PowerPoint report reviews the role that state funds play in the workers compensation insurance market, noting that social policy, history, economics, insurance market forces and politics have all played important roles in the development of modern workers comp systems, state funds and their structure.



MY iii

- subscriptions
- profile
- searches
- shopping cart

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

[Home](#) | [Insurance Topics](#) | [Disasters and Risks](#) | [Natural Disasters](#)

INSURANCE TOPICS

Coverage +

Disasters and Risks -

Climate Change

Crime

Disaster Preparedness

Highway Safety

Litigation

Natural Disasters

Terrorism

Insurance Industry +

Features +

All Coverage En Español

SOFTWARE

BUSINESS INVENTORY SOFTWARE

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software
specifically designed for
businesses.

HOME INVENTORY SOFTWARE

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software
specifically designed for
businesses.

UPDATES

PRINT

EMAIL

DOWNLOAD PDF

Hurricanes

HURRICANES AND RELATED DEATHS IN THE UNITED STATES, 1990-2009

Year	Total hurricanes	Made landfall as hurricane in the U.S.	Deaths (1)
1990	1	0	0
1991	1	1	18
1992	4	1	27
1993	1	1	3
1994	1	0	8
1995	3	3	29
1996	3	2	59
1997	1	1	6
1998	10	3	23
1999	8	2	60
2000	8	0	4
2001	9	0	42
2002	4	1	5
2003	7	2	24
2004	9	6 (2)	59
2005	15	7	1,518
2006	5	0	0
2007	6	1	1
2008	8	4 (3)	41 (4)
2009	3	1 (5)	6 (6)

AUTO CRASH TEST

GLOSSARY

>> DIRECTORIES

FIND A COMPANY



MY iii

[subscriptions](#) [profile](#)
[searches](#) [shopping cart](#)

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

[Home](#) | [Insurance Topics](#) | [Disasters and Risks](#) | [Natural Disasters](#)

INSURANCE TOPICS

Coverage



Disasters and Risks



Climate Change

Crime

Disaster Preparedness

Highway Safety

Litigation

Natural Disasters

Terrorism

Insurance Industry



Features



All Coverage En Español

SOFTWARE

BUSINESS INVENTORY
SOFTWARE

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software
specifically designed for
businesses.

HOME INVENTORY SOFTWARE

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software
specifically designed for
businesses.

UPDATES

PRINT

EMAIL

DOWNLOAD PDF

AUTO CRASH TEST

GLOSSARY

>> DIRECTORIES

FIND A COMPANY

Catastrophes: Insurance Issues

THE TOPIC

OCTOBER 2010

The term “catastrophe” in the property insurance industry denotes a natural or man-made disaster that is unusually severe. An event is designated a catastrophe by the industry when claims are expected to reach a certain dollar threshold, currently set at \$25 million, and more than a certain number of policyholders and insurance companies are affected.

Most major hurricane forecasters have predicted an active hurricane season in 2010, with more storms and more severe storms than average.

Meteorologists say that ocean temperatures and other conditions are very conducive to hurricane formation even though the season got off to a slow start with just three storms as of mid-August. Activity has picked up since then and by the end of September, the season had produced 13 storms, of which seven were hurricanes.

Even though no major hurricanes hit the U.S. mainland in 2009, catastrophe losses still totaled \$10.8 billion, according to ISO's Property Claim Service unit (PCS), due in part to the large number of damaging thunderstorms. By contrast, insured catastrophe losses for 2008 totaled \$27.0 billion. While this does not come close to the \$62.3 billion for 2005, the year of hurricanes Katrina and Rita, it was the third most costly in the last decade. Losses for 2007, also a year of little hurricane activity in the U.S., were \$6.5 billion.

Meanwhile, the magnitude of the damage caused by Katrina and the potential damage hurricanes Rita and Wilma might have caused had they not weakened from intense Category 5 hurricanes is still reverberating, five years later. Many insurers have reduced the number of policyholders they insure in high-risk areas and added hurricane deductibles to property

Insurance Information Institute Online

www.iii.org

*Thank you for your time
and your attention!*

Download at www.iii.org/presentations

<http://twitter.com/JeanneSalvatore>

