



**Lightning Safety Awareness Week
Media Briefing and Workshop**

“Lightning and Property Insurance”

**University of Maryland’s
Earth System Science Interdisciplinary Center
College Park, Maryland, Tuesday, June 24, 2014**

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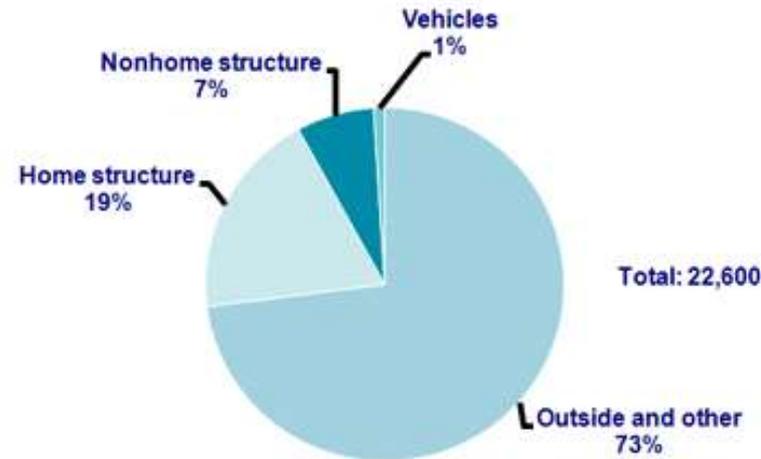


Lightning & Insurance

Lightning Coverage

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

Fires Started by Lightning by Type of Structure, 2007-2011



(1) Reported to local fire departments.

Source: National Fire Protection Association.

Good News – Lightning Losses Dropped!

- Insured losses to homes from lightning strikes in the U.S. fell to their lowest level in a decade last year as severe thunderstorm activity eased from near-record levels.
- Despite the respite, insurers still paid \$673.5 million in lightning claims to more than 100,000 policyholders in 2013.
- Although total losses from lightning were down by nearly one-third in 2013, the decline since 2004 is a much more modest 8.4 percent. In the prior three years, 2010 to 2012, home insurers paid approximately 1 billion per year on average to policyholders.

The Number of Lightning Claims are Down Too!

- The number of lightning claims were down by 24 percent from 2013 to 2012.
- The average lightning claims amount was also down in 2013 by 8.30 percent to \$5,869 in 2013 from \$6,400 in 2012.
- The incidence of lightning claims last year is 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 decline in the number of claims may be attributed to an increased use of lightning protection systems, technological advances, awareness of lightning safety, as well as fewer storms. While this is good news for homeowners, lightning is still and extremely costly weather event.

Homeowners Insurance Claims and Payouts for Lightning Losses, 2004-2013

Year	Number of Paid Claims	Insured Losses (\$ 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
Percent change, 2004-2013	-58.7%	-8.4%	121.8%
Percent change, 2012-2013	-24.0%	-30.5%	-8.3%

Source: Insurance Information Institute, State Farm®.

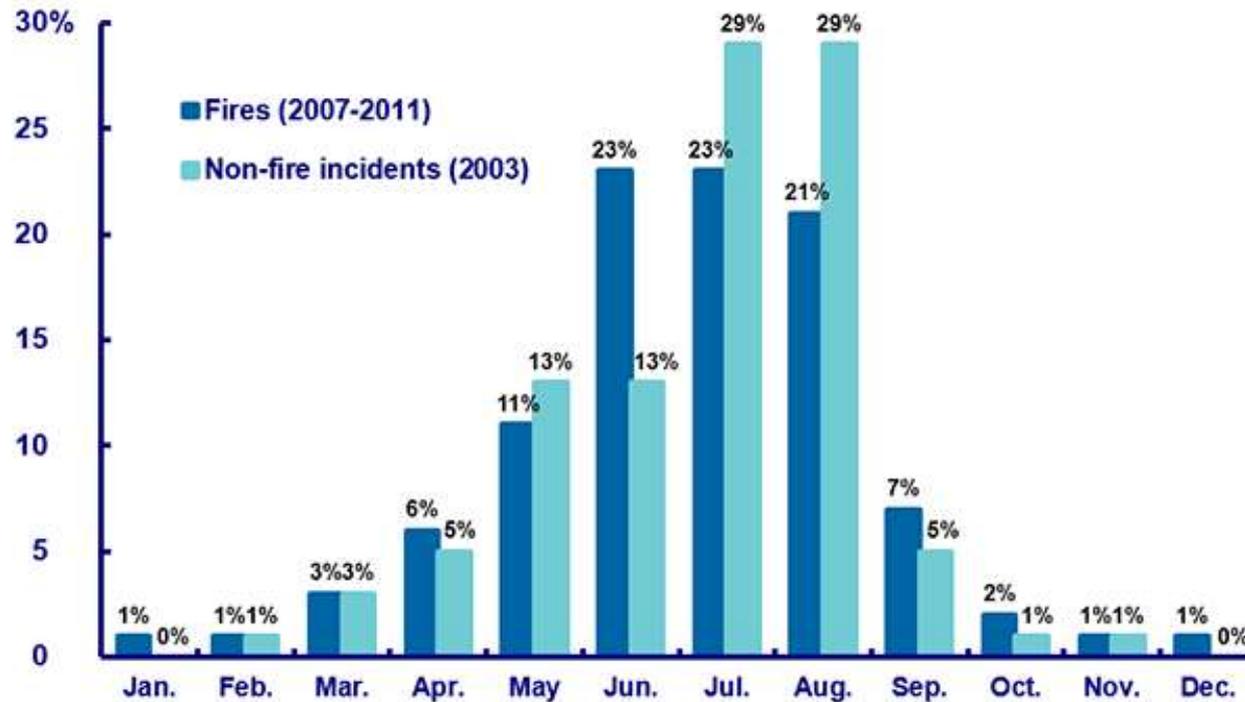
Top Ten States with Estimated Number and Cost of Lightning Claims, 2013

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®.

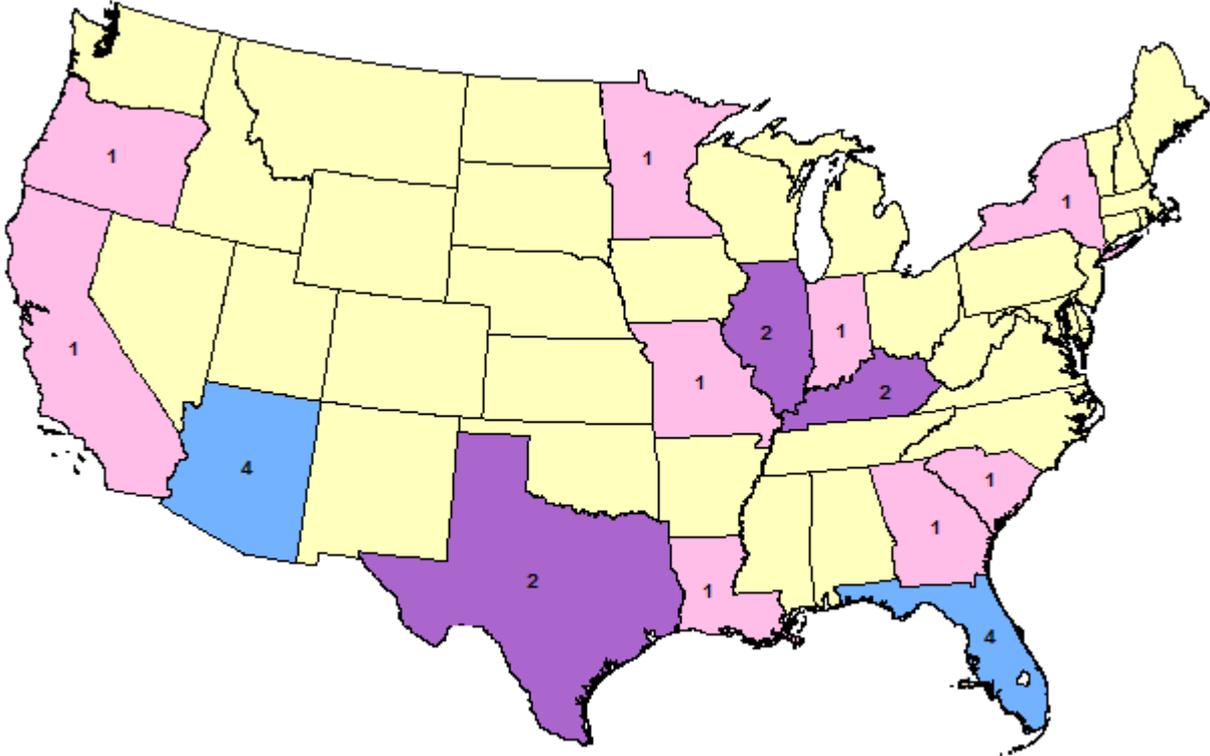
Georgia was the top state for lightning claims in 2013. But, Texas had the highest average cost per claim.

Lightning Incidents by Month, 2007-2011



Source: National Fire Protection Association.

Lightning Fatalities by State, 2013



Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service.



I.I.I. Resources
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Lightning Coverage and Safety

Damage caused by lightning, such as fire, is covered by standard homeowners and business insurance policies. Some home and business insurance policies provide coverage for power surges that are the direct result of lightning striking a home or business. There is also coverage for lightning damage under the comprehensive portion of an auto insurance policy.

With the explosion in the number and value of consumer electronics in homes, such as flat screen TVs, home entertainment centers, multiple computers, gaming systems and other expensive devices, it is more important than ever to take precautions.

Preventing Losses

The I.I.I. offers the following tips to protect homes and businesses against power surges and lightning strikes:

1. Install a lightning protection system. A lightning protection system supplies structural protection by providing a specified path on which lightning can travel. When a building is equipped with a lightning protection system, the destructive power of the lightning strike is directed safely into the ground, leaving the structure and its contents undamaged. The system includes a lightning rod or air terminals at the top of the house that can be disguised to look like a weather vane and wires to carry the current down to grounding rods at the bottom of the house. According to the Institute for Business & Home Safety (IBHS), the lightning protection

electrical discharges that can damage a building's electrical system, computers, appliances and other systems. UL-listed transient voltage surge suppressors can also be installed to protect specific pieces of electronic equipment. Keep in mind that power strips offer little protection from electrical power surges.

3. Unplug expensive electronic equipment. As an added precaution, unplug expensive electronic equipment such as TVs, computers and the like if you know a storm is approaching.

Do's and Don'ts for Lightning Safety

1. When Thunder Roars...GO INDOORS! Take shelter in a home, large building or substantial fully enclosed building, preferably protected with a lightning protection system. Hard topped-vehicles are generally safe shelters, as well.

2. Avoid areas where you will be the highest object. If you are caught in an open field with no nearby shelter, and your hair begins to stand on end (an indication that lightning is about to strike) drop down and crouch with hands on knees, rocking up on the balls of your feet. (The idea is to make as little contact with the ground as possible.) Never lie down flat or place your hands on the ground.

3. Certain locations are extremely hazardous during thunderstorms. Avoid lakes, beaches or open water, fishing from a boat or dock, riding on golf carts, farm equipment, motor cycles or bicycles. Take shelter in tunnels, subways, even ditches or caves if necessary—but never under a tree!

4. If caught on high ground or in an open area, seek shelter in a low area and stay away from trees. A small grove of bushes or shrubs is preferable to lone trees.

5. To avoid side flashes (voltage from a nearby struck object) stay clear of fences or isolated trees. Keep away from telephone poles, power lines, pipelines or other electrically conductive objects.

6. Stay off the telephone! In your home, don't stand near open windows, doorways or metal piping. Stay away from the TV, plumbing,

Lightning Myths



LIGHTNING MYTHS: TIPS TO STAY SAFE

Jeanne Salvatore dispels common myths about lightning safety and provides the basic tips for staying safe when a storm approaches.

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How to Pick a Lightning Protection System



HOW TO PICK A LIGHTNING PROTECTION SYSTEM

Lightning can be a dangerous hazard to your home with a single bolt carrying as much as 30 million volts of electricity. Fortunately there are lightning protection systems available to keep your home safe. Find out how to choose the right system from the right professionals to protect yourself from disaster.

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I.I.I. VIDEO



Lightning Myths: Tips to Stay Safe

Jeanne Salvatore dispels common myths about lightning safety...

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All Facts & Statistics



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Beyond Thunder Dumb: When Lightning Strikes...



BEYOND THUNDER DUMB: WHEN LIGHTNING STRIKES...

More than 80% of lightning fatalities are men who did not seek shelter from an approaching storm, but instead kept on fishing, boating, golfing, biking, or working outdoors. Be prepared by recognizing danger and knowing what to do and what not to do. If you can hear thunder, even a distant rumble, lightning is close enough to strike you. Immediately seek shelter in a substantial building or a metal-topped vehicle. Voices by: Michael Barry and Justin Shaddix Script by: James P. Ballot



Your Home From Water Damage

Water damage is one of the most common and costly disasters...

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Water Damage

Running water is an everyday convenience that if not properly...

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<http://www2.iii.org/video/beyond-thunder-dumb-when-lightning-strikes.html>

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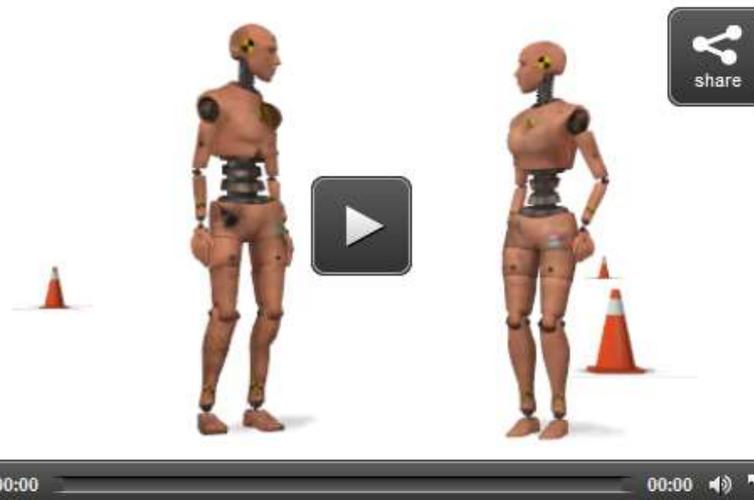
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Don't Be a Dummy About Lightning Protection Systems



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Water damage is one of the most common and costly disasters...

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How to Pick a Lightning Protection System

Lightning can be a dangerous hazard to your home with a single...

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