

Gregory & Appel Insurance Announces Strategies for Mitigating Severe Weather Damage

Mother Nature Blows More Than Just Wind: A Breakdown of Weather and Climate Risks Across the U.S.

INDIANAPOLIS, IN, US, August 6, 2024 /EINPresswire.com/ -- Mother Nature Blows More Than Just Wind: A Breakdown of Weather and Climate Risks Across the U.S.

By Matt Stauffer and Terry Ford of [Gregory & Appel](#)

Fact: Mother Nature's wrath is not confined to a single form. Instead, it appears in numerous ways, each with devastating impacts on properties across the United States. The data from 2024 underscores the variety and intensity of weather and climate disasters that have plagued the nation.

This article explores how different parts of the U.S. face distinct risks and provides best practices for property management companies, resorts, timeshares, board members, and onsite general managers and maintenance teams to mitigate the damage caused by these disasters.

Over the past several decades, the United States has faced a relentless run of severe weather and climate disasters, each leaving a profound impact on both lives and the economy. From 1980 to the present, the nation has experienced 391 major events, averaging 8.7 per year. The financial toll has been staggering, with costs reaching approximately \$2,759.7 billion, or \$61.3 billion annually. Tragically, these events have also claimed 16,456 lives, averaging 366 deaths per year.



Matt Stauffer, Senior Risk Advisor, Gregory & Appel Insurance

Recent years have seen a marked increase in both the frequency and severity of these disasters. From 2021 to 2023, there were 66 significant events, with an average of 22 per year—almost triple the long-term average. The financial impact during this period was \$441.3 billion, translating to an astounding \$147.1 billion per year. This surge in catastrophic events also led to a higher death toll, with 1,690 fatalities, averaging 563 deaths annually.

These statistics highlight the escalating risks and impacts associated with severe weather and climate events. As these disasters become more frequent and severe, it is crucial for property management companies, resorts, timeshares, board members, and onsite teams to adopt strong risk management strategies to protect lives and mitigate financial losses.



Terry Ford, Senior Vice President Property & Casualty, Gregory & Appel

Where Are We Today and Where Could We Be Tomorrow?



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Matt Stauffer, Senior Risk Advisor

Current Trends in 2024

As we progress through the first and second quarters of 2024, the insurance market has shown positive trends. Many have welcomed flat renewals, and some have even experienced premium reductions. This promising development offers a sense of relief and optimism after years of escalating insurance costs driven by frequent and severe weather events.

The Influence of Mother Nature

However, while these trends are encouraging, it is crucial to remain watchful and prepared for the unpredictable forces of Mother Nature. Historically, active wind seasons have had significant impacts on insurance rates. Major events such as hurricanes, tornadoes, and other severe weather phenomena have the potential to drive up rates, reversing the current favorable

trends.

Historical Impact on Property Insurance Pricing

Weather and climate disasters have historically led to significant changes in property insurance pricing. For example:

- Hurricane Katrina (2005): Caused widespread devastation in New Orleans, leading to a massive increase in property insurance premiums and stricter underwriting standards.
- California Wildfires (2017-2018): Resulted in billions of dollars in damages, prompting insurance companies to raise rates and, in some cases, refuse to renew policies in high-risk areas.
- Midwest Floods (2019): Led to higher premiums and increased demand for flood insurance in affected regions.

From 2020 to 2023, several significant events further influenced property insurance pricing:

- 2020 Atlantic Hurricane Season: The record-breaking hurricane season saw 30 named storms, including 13 hurricanes, which caused extensive damage along the Gulf Coast and the East Coast. Insurers responded with higher premiums and more restrictive terms for coastal properties.
- California Wildfires (2020): One of the worst wildfire seasons on record, with millions of acres burned and thousands of structures destroyed. This led to dramatic increases in insurance premiums and reduced availability of coverage in wildfire-prone areas.
- Texas Winter Storm (February 2021): A severe winter storm caused widespread power outages and extensive property damage due to burst pipes. The event led to increased insurance claims and higher premiums for homeowners and businesses.
- Hurricane Ida (2021): A major hurricane that caused significant damage from Louisiana to the Northeast, resulting in billions of dollars in insured losses and subsequent premium hikes.
- Severe Weather in the Midwest (2022): Including tornado outbreaks and derechos, which caused extensive property damage and influenced insurance pricing in the region.
- Hurricane Ian (2022): Caused catastrophic damage in Florida, leading to significant insured losses and higher premiums for coastal properties.
- California Wildfires (2023): Continued to challenge the insurance market, with ongoing premium increases and tighter underwriting standards in high-risk areas.

Future Implications for Property Insurance Pricing

The continued impact of severe weather and climate events, as highlighted in the 2024 data, suggests several future implications for property insurance pricing:

- Coverage Limitations: Insurers may impose stricter coverage limitations, including higher deductibles and exclusions for certain types of damage (e.g., flood or wildfire).
- Increased Demand for Specialized Coverage: There will be a growing need for specialized

insurance products, such as flood insurance and earthquake insurance, tailored to specific regional risks.

-Greater Emphasis on Risk Mitigation: Insurers will increasingly look at the risk mitigation strategies employed by property owners, offering premium discounts or incentives for properties that implement robust risk management practices.

As property management companies, resorts, timeshares, board members, and onsite teams across the United States face an array of weather and climate risks, it is crucial to understand the specific challenges each region encounters and adopt tailored risk management strategies. From the severe winter storms in the Northwest to the destructive hailstorms in Texas, each area demands a unique approach to mitigate the impacts of natural disasters. The following sections provide detailed examples from 2024, illustrating the effects of these events and offering practical risk management strategies to enhance resilience and preparedness.

Northwest: Winter Storms and Cold Waves

Example from 2024:

-Northwest Winter Storm (January 12-14): This significant winter storm brought heavy snowfall and freezing temperatures, causing hazardous travel conditions, power outages, and significant economic impacts.

Risk Management Strategies:

1. Infrastructure Resilience: Upgrade and maintain property infrastructure to withstand heavy snow and ice loads. This includes reinforcing roofs, heating systems, and power lines.
2. Emergency Preparedness: Develop and regularly update emergency response plans for winter storms, ensuring timely communication and coordination with board members, staff, and guests.
3. Snow Removal Equipment: Invest in adequate snow removal equipment and ensure timely deployment during storms to maintain safe access to properties.
4. Community Education: Educate staff and guests on winter storm preparedness, including the importance of having emergency kits and safe heating practices.

Southwest and Rockies: Hail and Severe Weather

Example from 2024:

-Colorado Hail Storms and Southern Severe Weather (May 31 - June 1): These storms resulted in property damage and agricultural losses. Hail the size of golf balls pummeled communities, damaging roofs, vehicles, and crops.

Risk Management Strategies:

1. Hail-Resistant Materials: Encourage the use of hail-resistant roofing materials and protective coverings for property exteriors and vehicles.
2. Insurance Coverage: Ensure adequate insurance coverage for properties to cover potential hail damage. Regularly review and update policies to reflect current risks.
3. Early Warning Systems: Enhance weather monitoring and early warning systems to provide timely alerts for severe weather conditions.
4. Tenant and Guest Communication: Establish protocols for communicating with tenants and guests before, during, and after severe weather events to ensure their safety and preparedness.

Midwest: Tornadoes and Severe Weather

Examples from 2024:

- Central and Southern Tornado Outbreak (April 26-28): This outbreak caused extensive damage, obliterating homes, businesses, and infrastructure.
- Central Tornado Outbreak (May 25-26): Another severe tornado event that brought significant destruction.

Risk Management Strategies:

1. Storm Shelters: Promote the construction of storm shelters and safe rooms in properties to ensure tenant and guest safety during tornadoes.
2. Building Codes: Implement and enforce strict building codes designed to withstand tornado-force winds. Retrofit existing buildings where necessary.
3. Early Warning Systems: Invest in advanced radar and early warning systems to provide timely tornado alerts.
4. Staff and Guest Drills: Conduct regular tornado drills and education programs for staff and guests to ensure preparedness and effective response.

South: Hurricanes, Tornadoes, and Severe Storms

Examples from 2024:

- Southern Derecho (May 16-17): This derecho caused widespread damage, knocking down trees and power lines.
- Southern Tornado Outbreak and East Coast Storm (January 8-10): A severe event that included tornadoes and powerful storms.

Risk Management Strategies:

1. Hurricane-Proof Construction: Build and retrofit structures to meet hurricane-resistant

standards, including reinforced roofs and windows.

2. Flood Defenses: Enhance flood defenses such as levees, floodwalls, and drainage systems to mitigate flooding from hurricanes and severe storms.
3. Evacuation Plans: Develop and regularly update evacuation plans, ensuring clear communication and safe routes for tenants and guests.
4. Insurance: Ensure comprehensive insurance coverage for hurricane and severe storm-related damages. Regularly review policies to ensure adequate coverage.

East Coast: Winter Storms and Tornadoes

Examples from 2024:

- Central, Southern, and Northeastern Winter Storm and Cold Wave (January 14-17): This storm caused significant disruption with heavy snowfall and frigid temperatures.
- Central Tornado Outbreak and Eastern Severe Weather (April 1-3): Severe weather that included powerful tornadoes and thunderstorms.

Risk Management Strategies:

1. Infrastructure Resilience: Strengthen property infrastructure to withstand heavy snow, ice, and high winds from tornadoes.
2. Emergency Preparedness: Develop robust emergency response plans and conduct regular training exercises for property staff.
3. Community Education: Educate staff, board members, and guests on winter storm and tornado preparedness, including the importance of emergency kits and safe shelter practices.
4. Early Warning Systems: Invest in advanced weather monitoring systems for timely alerts.

Southeast: Tropical Storms and Severe Weather

Examples from 2024:

- Southern Severe Weather (February 10-12): This event brought heavy rains, flooding, and destructive winds.
- Central, Southern, and Southeastern Tornado Outbreak (May 6-9): A significant tornado outbreak that affected multiple states in the Southeast.

Risk Management Strategies:

1. Building Codes: Enforce strict building codes designed to withstand tropical storms and severe weather. Retrofit existing buildings where necessary.
2. Flood Defenses: Improve flood defense systems, including levees and drainage infrastructure to protect properties from flooding.
3. Community Preparedness: Conduct community education programs on tropical storm

preparedness and response, ensuring tenants and guests are well-informed.

4. Insurance: Ensure comprehensive insurance coverage for tropical storm-related damages. Regularly review policies to ensure adequate coverage.

Key Planning Takeaways

- Proactive Preparedness: Stay vigilant and ready for unpredictable severe weather events.
- Resilient Infrastructure: Invest in infrastructure upgrades and maintenance to withstand severe weather conditions.
- Tailored Risk Management: Develop and implement region-specific risk management strategies.
- Comprehensive Insurance Coverage: Regularly review and update insurance policies to ensure adequate coverage.
- Community Education: Educate staff, tenants, and guests on emergency preparedness and response protocols.
- Early Warning Systems: Invest in advanced weather monitoring and early warning systems to provide timely alerts.
- Building Codes and Standards: Enforce and adhere to strict building codes designed to withstand regional weather risks.
- Emergency Response Plans: Develop, update, and regularly practice emergency response plans to ensure effective action during disasters.

About Gregory and Appel

Gregory & Appel Insurance (G&A) is a fiercely independent risk management advisor, proactively guiding people and businesses through the complexities of insurance and employee benefits with innovative, future-focused solutions for clients throughout the country and globally. G&A combines the most sophisticated risk management resources and insurance industry representation to align with and focus on the specific individual needs of our clients.

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