



## Another Look: The Rise of Billion-Dollar Catastrophe Claims

2023 was a historic year in the number of costly disasters and extreme weather events for the U.S. with 28 weather and climate disasters. These events ranged from hailstorms and floods to tropical cyclones, tornadoes, winter storms and wildfires, and surpassed the prior record of 22 in 2020, tallying a staggering **\$92.9 billion** in damages.

### CONTACT

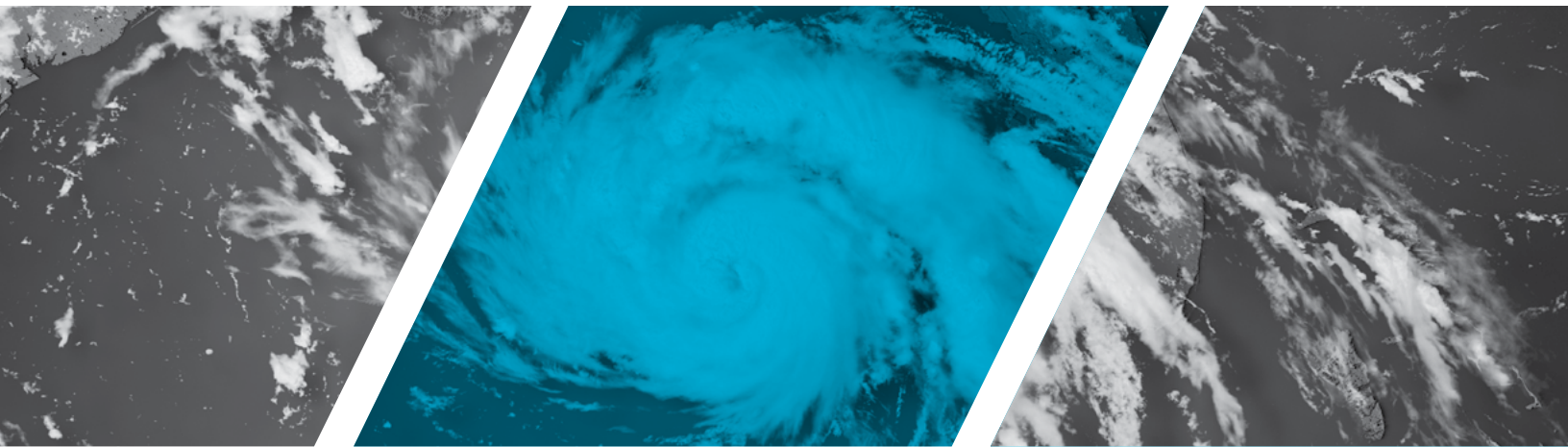
To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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Please refer to your policy for the actual language. *Courtesy of Amwins Group, Inc.*





## 2024 storm season at a glance

As of March 8, this year, the U.S. had already experienced one weather or climate disaster causing losses exceeding \$1 billion. A severe tornado event impacted the central and southern U.S. and we expect plenty more to follow.

With the average hurricane season spanning from June 1 to November 30, **Colorado State University** predicts an exceptionally active season for 2024, particularly in the Atlantic basin. Forecasts project 11 hurricanes, including five major hurricanes and 23 named storms. These numbers are up considerably when compared to last year's predictions, which anticipated only seven hurricanes, three of which were considered major and 15 named storms.

The **2024 report** also highlights the probability of major hurricanes making landfall. There is a 62% chance of

these projected hurricanes impacting the U.S. coastline and a 34% chance affecting the U.S. East Coast, including the Florida Peninsula.

It's not just hurricanes that leave high damage costs in their wake. From March 12 to 15, the nation experienced its most severe weather episode of the year thus far. Powerful storms unleashed baseball-sized hail and more than 20 tornadoes sped across the Midwest, causing substantial damage and casualties. Meanwhile, California's Sierra Nevada region was pummeled by a blizzard in early March, with gusts reaching up to 190 mph and snow accumulation exceeding 10 feet in some areas. March 2024 goes down in history as the 17th warmest on record, with precipitation levels ranking among the highest third ever recorded for the month.

## Hurricane preparedness week

The 2024 storm season has underscored the intensifying trend of severe weather events, with an alarming frequency of powerful storms wreaking havoc across regions of the U.S. From devastating hurricanes to unprecedented flooding and tornado outbreaks, communities are grappling with the escalating impacts of these extreme weather phenomena.

With each passing year, the evidence mounts that severe weather is not only becoming more frequent but also more severe, emphasizing the urgent need for proactive measures to enhance resilience and mitigate the escalating risks posed by climate change. As Hurricane Preparedness Week begins, it is crucial to assess the

impact of named storms on insurance claims and understand why this heightened storm activity is likely to persist.

Since 1980, the United States has weathered **378 distinct weather and climate disasters**, each causing damages surpassing \$1 billion. The cumulative expense incurred by these events surpasses a staggering \$2.675 trillion prompting us to again ask the question: **Is this becoming the new normal**, and if so, what's driving this trend?

## Top factors contributing to the increase in named storms and damage:



**Climate change impacts:** Continued climate change exacerbates weather extremes, leading to warmer ocean temperatures that provide fuel for hurricanes and other tropical storms. Rising sea levels also contribute to stronger storm surges and increased coastal flooding. Recent [reports from NOAA](#) indicate that sea levels are rising at a much faster rate than previously anticipated. Sea levels along the U.S. coastline are projected to rise, on average, 10 - 12 inches (0.25 - 0.30 meters) in the next 30 years (2020 - 2050), which will be as much as the rise measured over the last 100 years (1920 - 2020).



**Oceanic conditions:** Oceanic patterns, such as El Niño or La Niña, can influence hurricane formation and intensity. Variations in sea surface temperatures and wind patterns in the Pacific Ocean can lead to more favorable conditions for tropical cyclone development. According to NOAA's 2023 [Annual Climate Report](#) the combined land and ocean temperature has increased at an average rate of 0.11° Fahrenheit (0.06° Celsius) per decade since 1850, or about 2° F in total which can contribute to a more powerful tropical storm or hurricane.



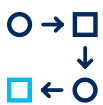
**Urbanization and development:** The expansion of coastal populations and infrastructure increases the vulnerability of communities to storm-related damage. Urban development can disrupt natural barriers like wetlands and mangroves, which traditionally serve as buffers against storm impacts.



**Land use changes:** Deforestation, urban sprawl and changes in land use patterns can alter local weather patterns and contribute to the intensification of rainfall and flooding associated with tropical storms and hurricanes.



**Socioeconomic factors:** Socioeconomic disparities can influence the resilience of communities to withstand and recover from storm impacts. Vulnerable populations, such as those with lower incomes or limited access to resources, may face greater challenges in preparing for and recovering from severe weather events.



**Technological advances in forecasting:** Improvements in meteorological modeling and forecasting allow for more accurate predictions of storm tracks and intensities. While this helps with preparedness efforts, it also means that more storms are identified and named, contributing to the perception of increased activity.

As billion-dollar catastrophe claims continue to rise, it's clear that the intersection of climate change, urbanization and socioeconomic factors is amplifying the financial toll of natural disasters. From hurricanes to wildfires, these events are not only becoming more frequent but also more costly, straining insurers, governments and communities alike. Urgent action is needed to bolster resilience, enhance risk management strategies and prioritize sustainable development practices to mitigate the staggering economic losses caused by these catastrophic events.



## We help you win

In honor of National Hurricane Preparedness Week (taking place this year from May 5 – May 11), Amwins wants to help ensure that you and your clients are in the best position possible for safety and recovery should a hurricane strike.

Review our top [10 claims tips and checklist](#) to help you prepare ahead of the 2024 storm season and to achieve fast, efficient handling of insurance claims afterward.

Amwins believes that a strong defense is a good offense, and the time to help your clients understand their exposures is before they find themselves in the path of a natural disaster. We offer a wide range of services to aid you, from CAT modeling to claims advocacy, as well as parametric solutions and exclusive property capacity that continues to grow.

As always, we are committed to keeping you informed and armed with strategies for success. Contact your Amwins broker or underwriter today for individualized attention.

