



Watching the Winds: Severe Convective Storms Reshaping CAT Losses

Despite a relatively calm start to 2025 this year is bound to be anything but quiet. While wildfire headlines from California drew attention early on, there's a more persistent and structurally disruptive threat that continues to come from severe convective storms (SCS). These high-frequency, high-cost events are quietly but significantly straining carriers' CAT budgets.

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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The cumulative cost of SCS

Unlike hurricanes or earthquakes, SCS activity occurs frequently and often with little fanfare, until claims start stacking up. Hail, tornadoes and straight-line winds may not always dominate national headlines, but their collective financial toll has become a defining feature of the evolving CAT risk landscape.

The [2025 CoreLogic® Severe Convective Storm Risk Report](#), along with new data from Cotality, paints a clear picture: more than 567,000 homes were impacted by large hail in 2024, with an estimated reconstruction cost value (RCV) of \$160B. Texas alone accounted for more than 180,000 of those homes. Events like the September 2024 storm in Oklahoma City, which damaged 35,000 homes in a single day, highlight how outbreak-style storms can create concentrated surges in claims—quickly overwhelming processing capacity and disrupting financial projections.

Market implications

For carriers, these early-year SCS events are carving into loss budgets well before the traditional peak season. It's a reminder that the timing of loss, not just severity, is reshaping the rhythm of CAT management.

While capacity in the market is growing, not all regions are benefitting equally. We continue to see pressure on higher Total Insured Values (TIVs), particularly across the Central U.S., where SCS risk concentration is highest. Meanwhile, the market remains softer as you move east, creating geographic imbalances in underwriting and pricing.

At the same time, investment income (which once served as a buffer) is offering less relief amid broader macroeconomic and geopolitical volatility. As highlighted in our [Q2 2025 Economic Report](#), this instability reinforces the importance of disciplined portfolio management and strategic capital deployment.

Billion-dollar insured losses have long been associated with major hurricanes and wildfires, but severe convective storms are [now emerging as a consistent contributor](#) to that category. Inflation and continued residential and commercial development in high-risk areas, as well as evolving climate conditions, are pushing more short-duration events into billion-dollar territory.

This shift is reshaping the catastrophe risk landscape. SCS events, once viewed as frequent but manageable, are increasingly driving significant financial impact—on par with more traditionally headline-grabbing perils. As the frequency and cost of these storms continue to rise, insurers must account for SCS not as secondary hazards, but as core drivers of volatility and capital exposure.



Exposures at the intersection of catastrophe risk and clean energy

As severe weather patterns shift and billion-dollar events become more common, renewable energy infrastructure is emerging as a particularly exposed asset class. Utility-scale wind and solar projects—many located in regions with high hail, wind or tornado risk—are facing a tightening market for catastrophe protection, especially for losses that exceed traditional program limits.

The vulnerability isn't just structural. The value of solar and wind megaprojects in these areas now regularly exceeds \$100M, creating huge physical damage and business interruption exposures for insurers. Hailstorms in the central U.S., for example, can cause catastrophic damage to renewables assets and stall project timelines by weeks or months, with downstream effects on financing, grid integration and revenue recognition.

While the softening market is bringing lower prices and reducing coverage constraints on these projects, insurance costs still remain high for SCS-exposed clean energy projects. Carriers remain especially cautious in allocating high layers of NAT CAT protection to solar projects, especially those with high asset values concentrated in storm-prone geographies.

These challenges are pushing brokers and clients to think differently about structuring CAT protection—seeking solutions that can span both operational and construction phases, account for delay-related exposures and align with the evolving risk landscape. As investment in clean energy accelerates nationwide, so too does the need for insurance strategies that reflect the volatility of the environment in which these assets operate.



Future risk and resilience planning

It's no secret that SCS is a growing problem. Climate risk models from [CoreLogic and Cotality](#) suggest that by 2030 and especially by 2050, regions like the South and Midwest will face even greater exposure to hail, tornadoes and high-wind events. More atmospheric moisture and changing wind shear patterns are already shifting the geography and severity of risk.

This has clear implications for pricing, reinsurance strategy and mitigation planning. Advanced tools are emerging with the goal of giving carriers new ways to understand and adapt to this shifting threat landscape. But that adaptation needs to happen quickly.

No time for complacency

While 2025 may not be a historic loss year yet, the early signals are there: more frequent, high-intensity SCS events are challenging loss budgets and exposing underwriting vulnerabilities. And as always, the market remains one major event away from another inflection point.

It would be wise to treat these early-year storm losses not as noise, but as a clear sign. The threat may be quieter than hurricanes or wildfires—but it's no less real.

Weathering the storm with Amwins

In a market where severe convective storms are reshaping the loss landscape, having the right partner makes all the difference. At Amwins, we bring unmatched scale, insight and specialization to help retailers stay ahead of shifting risk dynamics and evolving underwriting strategies.

Our market access and analytical capabilities give clients a distinct edge. Through our proprietary data tools, we help retailers navigate uncertainty with precision. We leverage insights from thousands of SCS-exposed placements and partner with leading carriers to structure solutions that respond to today's loss realities.

Whether you're contending with increasing hail exposure in Texas, evolving TIV pressures in the Midwest, or emerging risks driven by climate trends, Amwins equips you with the tools and relationships to get ahead, and stay there.

We don't just place coverage. We help you lead with insight.

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