



NEWS RELEASE

Verisk Estimates Industry Insured Losses for the Palisades and Eaton Fires Will Fall Between USD 28 Billion and USD 35 Billion

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This estimate includes losses due to fire and is inclusive of losses to the California Fair Plan

BOSTON, Jan. 22, 2025 (GLOBE NEWSWIRE) -- The Extreme Event Solutions group at Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, estimates that insured industry losses to property for the Palisades and Eaton fires together will fall between USD 28 billion and USD 35 billion. This estimate includes losses due to fire and is inclusive of losses to the California Fair Plan.

Of this total, Verisk estimates insured losses from the Palisades fire will range between USD 20 billion and USD 25 billion, and losses from the Eaton fire will range between USD 8 billion and USD 10 billion. Most of the losses are to residential risks.

"The ongoing devastation from these deadly wildfires is truly heartbreaking," said Rob Newbold, president of Extreme Event Solutions at Verisk. "We are advancing science and risk management to help communities build resilience against disasters like these catastrophic wildfires. The amount of data and insights to support mitigation efforts continues to grow, which can help inform how communities rebuild in the wake of this disaster."

The impacted areas from the Palisades fire include some of the highest property values in the country, and many of the policyholders have considerable contents exposure, including jewelry, fine art and other luxury goods.

Demand surge analysis was completed using historical construction cost data for the Los Angeles area (Los Angeles County and Santa Barbara County) using Verisk's 360Value[®] Quarterly Residential Replacement Cost Index (seasonally

adjusted).

Given the large number of destroyed structures from these two events, and the need for complete rebuilding, it is likely that losses stemming from debris removal coverage will be non-trivial.

Included in this estimate are losses to residential, commercial, and industrial properties and automobiles for their building, contents, and time element coverages. This estimate accounts for demand surge, debris removal and estimated insured take-up rates.

Verisk's loss estimates **do not** include:

- Losses from smoke damage
- Losses from the Hurst fire or other fires during this past month other than Palisades and Eaton
- Losses exacerbated by litigation, fraudulent assignment of benefits, or social inflation
- Losses from guaranteed replacement cost coverage
- Losses from ordinance or law coverage
- Losses to uninsured properties
- Losses to infrastructure
- Losses from extra-contractual obligations
- Losses from hazardous waste cleanup, vandalism, or civil commotion, whether directly or indirectly caused by the event
- Loss adjustment expenses

Update on Verisk U.S. Wildfire Model Review by California Department of Insurance

On January 2, Verisk announced that it was the first modeler to request a review of its U.S. Wildfire Model as part of California Insurance Commissioner Ricardo Lara's, 'first of its kind' catastrophe modeling and ratemaking regulation, a central part of his Sustainable Insurance Strategy. As of January 16, Verisk's petition for model review has been granted by the CDI. This marks the commencement of the next step and formal review.

The use of catastrophe models in California is expected to provide consumers, insurers, and regulators with enhanced insights into natural disaster risks and increased insurance availability across the state.

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About Verisk

Verisk (Nasdaq: VRSK) is a leading strategic data analytics and technology partner to the global insurance industry. It

empowers clients to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud and make informed decisions about global risks, including climate change, extreme events, sustainability and political issues. Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk helps build global resilience for individuals, communities and businesses. With teams across more than 20 countries, Verisk consistently earns certification by **Great Place to Work** and fosters an **inclusive culture** where all team members feel they belong. For more, visit **Verisk.com** and the **Verisk Newsroom**.

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