



NEWS RELEASE

Verisk Estimates Industry Insured Losses from Hurricane Otis to Range from MXN 50 Billion to MXN 110 Billion (~USD 3 Billion to 6 Billion)

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Otis becomes strongest landfalling hurricane on record in this region and the fourth most intense in the nation's history

BOSTON, Nov. 01, 2023 (GLOBE NEWSWIRE) -- Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, estimates industry insured losses to onshore property for Hurricane Otis will likely fall from MXN 50 billion to MXN 110 billion (~USD 3 billion to 6 billion). The industry loss range includes insured estimates of wind and precipitation-induced flood across Otis's track. Most of the modeled loss is attributable to wind.

Meteorological History of Otis

Hurricane Otis first became a tropical depression on October 22, with the forecast at the time anticipating it not reaching hurricane strength nor reaching land. At 1:00 am local time Tuesday, Otis remained a tropical storm with maximum sustained winds of 50 mph. As Otis continued to strengthen that morning, the official forecast was increased to bring the cyclone to hurricane intensity by landfall. Early that afternoon the storm was found to have maximum sustained winds now at 110 mph.

Otis continued to intensify at a remarkable pace over the next several hours, reaching Saffir-Simpson category 5 status by 11 p.m. local time – meaning Otis had increased its maximum winds by 115 mph in just 25 hours. Otis made landfall two and a half hours later with maximum sustained wind estimates of 165 mph. Interaction with the mountainous terrain of southern Mexico quickly dissipated Otis as it moved inland. By 4 p.m. on Wednesday, the National Hurricane Center had downgraded Otis to a tropical depression and issued its final advisory on the storm, just 15 hours after it reached the Pacific coast of Mexico as the strongest landfalling hurricane on record in this region.

Hazard and Damage Observations

Few wind measuring stations survived the storm and provided reliable data on wind speeds. One station near Acapulco that endured the storm recorded a peak wind gust of 135 mph. Observations from aircraft as well as satellite data were used to help constrain the modeled windfield. Maximum rainfall amounts along the coast generally fell between 8 and 12 inches, with a widespread 2+ inches across much of the state of Guerrero.

The coastline of Acapulco contains many larger apartment and condominium buildings as well as hotels. Many of those had a majority of the windows blown out by Otis's devastating winds. Roof covering damage was also noted on many buildings near the coast. Smaller commercial and residential buildings in Acapulco saw major damage as well, with cladding tossed from walls, roofs torn off and debris scattered. Significant damage was also observed to the north and west of Acapulco. In Coyuca de Benitez, Guerrero, there was minor damage to a hospital as well as significant damage to residential structures observed.

Damage to coastal and inland exposures in and around Acapulco was catastrophic.

Insurance take up for residential risks is quite low in Mexico, though a bit higher for commercial risks. However, it is likely there is higher residential insurance take up in Acapulco, particularly in direct coastal areas, than across the rest of the state of Guerrero.

Included in the industry insured loss estimate are losses to onshore residential, commercial and industrial properties and automobiles for their building, contents and time element coverage from wind and precipitation induced flood.

Verisk's modeled insured loss estimates do not consider:

- Losses paid out by any sovereign or government protection programs
- Losses from coastal storm surge
- Losses to inland marine, ocean-going marine cargo and hull, and pleasure boats/yachts
- 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

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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, ESG 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](https://www.verisk.com) and the [Verisk Newsroom](#).

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