



NEWS RELEASE

Verisk Estimates Industry Insured Losses in U.S. for Hurricane Helene Will Range Between USD 6 Billion to USD 11 Billion

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BOSTON, Oct. 08, 2024 (GLOBE NEWSWIRE) -- The Extreme Event Solutions group at Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, estimates industry insured losses due to wind, storm surge and hurricane precipitation induced flood in the U.S. for Hurricane Helene will range between USD 6 billion to USD 11 billion.

Please note that this figure does not include NFIP losses.

Meteorological History of Helene

On September 23, the National Hurricane Center (NHC) identified and designated a low-pressure system over the northwestern Caribbean as Potential Tropical Cyclone Nine.

Starting early on the 26, Helene began a prolonged period of rapid intensification. During this time, Helene's wind field of tropical storm-force winds grew to be 430 miles wide, a purported record for Florida, just edging out 2017's Hurricane Irma (420 miles).

Helene made landfall shortly before midnight on September 26 near Perry, Florida as a Category 4 hurricane with maximum sustained winds of 140 mph. This makes Helene the strongest hurricane to make landfall in the Big Bend region in recorded history (i.e., since 1851), shattering the previous record set by the Cedar Keys Hurricane of 1896 (125 mph). Helene's minimum central pressure at landfall was 938 mb, which is the lowest for a landfalling hurricane in Florida since Michael in 2018 (919 mb) and the ninth lowest since 1900. Record storm surge was observed farther north along the coast, including Cedar Key (9.3 feet) and Steinhatchee, which went offline after recording 10 feet of storm surge at 11:30 p.m.

Helene's wind footprint scathed the Gulf coast of Florida and eventually made landfall along the Big Bend region in Taylor County. Much of the damage was similar in locality and intensity to 2023 Hurricane Idalia but with a much larger storm surge impact and footprint extent.

As Hurricane Helene tracked north and crossed into Georgia, the wind field extended significantly east of the track impacting large swaths of central counties. Substantial tree induced damage was observed from Valdosta up to Augusta and Savannah. As a result of tree damage, water ingress and debris induced damages were observed across the eastern portion of the state. Wind damage to cladding, roof cover and attached structures was also widely observed and reported.

Record rainfall had fallen in three days (September 25 - 27) over southern Appalachia and in particular western North Carolina. The largest recorded three-day rainfall of 31.33 inches was observed at the North Carolina Forest Service's RAWS station in Busick. Asheville, which was the worst hit, received 13.98 inches in three days.

A wide majority of damage was related to hurricane precipitation induced flooding when it came to communities and cities in North and South Carolina. Flooding will certainly be the cause when it comes to insured and economic losses across these states.

"The devastation and loss of life caused by Hurricane Helene is truly heartbreaking," said Rob Newbold, president of Verisk Extreme Event Solutions. "This event is a reminder to the insurance industry to remain diligent in efforts to learn from and understand the profound impacts of catastrophes. The resilience of communities facing such devastating challenges is remarkable and we are inspired by how they have already started to rebuild and prepare for a safer future. We are committed to supporting recovery efforts however we can."

Building Codes in Florida

Florida has a long history when it comes to the evolution and adoption of building codes. From its first adoption of the statewide building code in 2002, it has been a pioneer nationally in wind design specifications. The Big Bend region of Florida where hurricane Helene made landfall has the lowest design winds statewide, between 120 and 130 mph. The same is true for southwestern parts of Georgia that experienced strong winds from Hurricane Helene. The impacts from Helene in this region from a wind perspective should be like that from Hurricane Idalia last year. A significant portion of the building inventory along the track of Hurricane Helene predate the International Codes, i.e. are built prior to the year 2000.

The National Flood Insurance Program (NFIP) and Flood Insurance Take Up Rates

Homeowners who choose to purchase flood insurance most commonly do so through the National Flood Insurance Program (NFIP), and Florida has the highest proportion of NFIP policies of any state – about 35 percent, according to Fitch Ratings. These policies typically cover up to USD 250,000 in damages and do not include additional living expense coverage, suggesting that even for some homeowners with flood insurance, there may be a gap between coverage and rebuilding costs.

Most homeowners in these areas will not have flood insurance, given in most cases it is not required as these areas are generally outside of the designated Special Flood Hazard Areas (SFHAs).

Verisk is actively monitoring Hurricane Milton and supporting our clients in preparing for this event. The center of Milton is forecast to move just north of the Yucatan Peninsula today and approach the west coast of the Florida Peninsula on Wednesday. The hurricane is forecast to make landfall in Florida Wednesday night, October 9.

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

- Losses paid out by the National Flood Insurance Program
- Losses exacerbated by litigation, fraudulent assignment of benefits, or social inflation
- Storm surge or inland flood losses paid on wind only policies due to government intervention
- Explicit modeling of losses due to landslides or mudslides
- Losses to inland marine, ocean-going marine cargo and hull, and pleasure boats
- 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
- Losses resulting from the compromise of existing defenses (e.g., natural and man-made levees)
- Loss adjustment expenses
- Other non-modeled losses, including those resulting from tornadoes spawned by the storm
- Losses for U.S. offshore assets and non-U.S. property

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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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