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Regarding: **2014- 2015 Water Damage Report, (Public Dissemination)**

Prepared By: Thomas Manasek, Strategic Analyst

Executive Summary

This **ForeCASTSM** illustrates the trends in Water DamageSM claims in the United States from 2014 through 2015. During this timeframe, Water Damage claims increased 1 percent.

California was the top state in Water Damage claims from 2014 through 2015, followed by Florida, Texas, New York and Pennsylvania. The top 10 states represented 55 percent of the total number of Water Damage claims during this time frame. San Antonio was the city with the highest total amount of claims with 19,344, followed by Chicago, Houston, San Diego and Miami. January and February were the most active months of the year with an average of 158,087 and 157,136 claims respectively. Conversely, claims were lowest toward in November and December. The "Personal Property Homeowners" (PPHO) Policy Type represented the majority of Water Damage claims during this timeframe.

Introduction

In a proactive effort to identify recent trends in Water Damage claims and to increase awareness for member companies, an analysis of the Insurance Service Office (ISO) ClaimSearch data was performed. Claims, with a loss date between 2014 and 2015, containing the Loss Type "Water Damage" were analyzed. Some claims have been voided in ISO ClaimSearch, and other claims can be updated by the company entering the claim and therefore may not reflect the exact numbers reported in previous or subsequent reports.

For the purpose of this study, water damage can be defined as property damage due to accidental discharge, leakage, or overflow of water from plumbing systems, heating, air conditioning, and refrigerating systems, rain or snow through broken doors, open doors, windows, and skylights resulting in damage or destruction of the property scheduled in the policy. Typically, water damage may not be covered if the damage resulted from the homeowner's negligence or failure to maintain home repairs. This type of claim can be fraudulent when the participant falsely reports, purposefully creates, or exaggerates existing water damage with the specific intent of financial gain.

This report is divided into two sections. Section 1 analyzes the overall US Water Damage claim losses from 2014 through 2015. Section 2 provides possible Indicators of Water Damage/Mitigation Fraud. A state total appendix for Water Damage claims is also provided at the end of this report.

Section 1: United States Water Damage Claims

Water Damage Claims

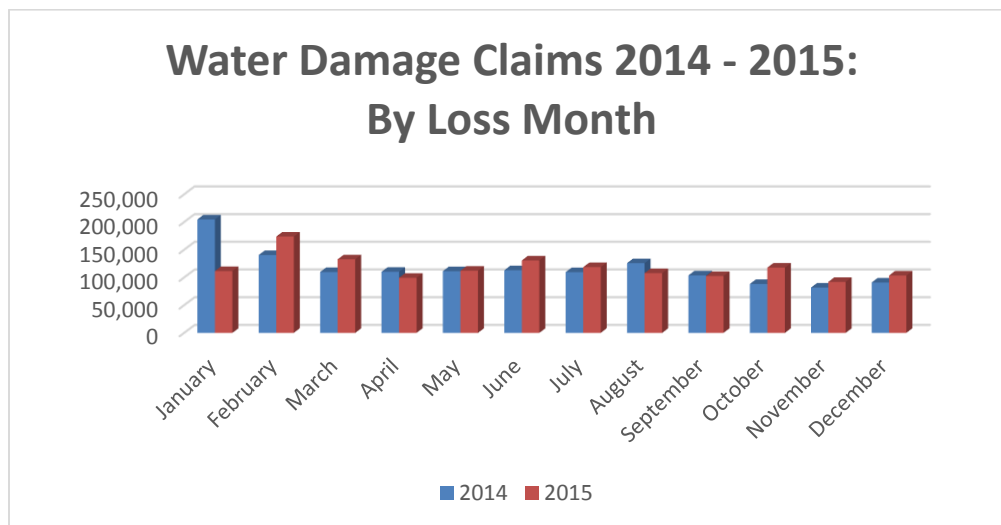
A total of 2,792,331 Water Damage claims were identified with a loss date from January 1, 2014 through December 31, 2015. In this timeframe, Water Damage claims increased 1% from 1,389,277 to 1,403,054.

Water Damage Claims By Loss Month

The following table shows Water Damage claims, by loss month, from 2014 through 2015. January and February were the most active months of the year with an average of 158,087 and 157,136 claims respectively. Conversely, claims were lowest in November and December. January, 2014 had more claims than any other month with 204,581 claims.

Water Damage Claims 2014 - 2015: By Month of Loss				
Month	2014	2015	Monthly Average	Monthly Total
January	204,581	111,593	158,087	316,174
February	140,422	173,849	157,136	314,271
March	109,796	132,753	121,275	242,549
April	110,165	99,412	104,789	209,577
May	111,345	112,269	111,807	223,614
June	113,045	130,761	121,903	243,806
July	109,595	118,711	114,153	228,306
August	125,793	107,785	116,789	233,578
September	103,734	102,582	103,158	206,316
October	88,223	117,868	103,046	206,091
November	81,694	91,986	86,840	173,680
December	90,884	103,485	97,185	194,369
Totals	1,389,277	1,403,054		

The following graph shows Water Damage claims by loss month from 2014 through 2015.



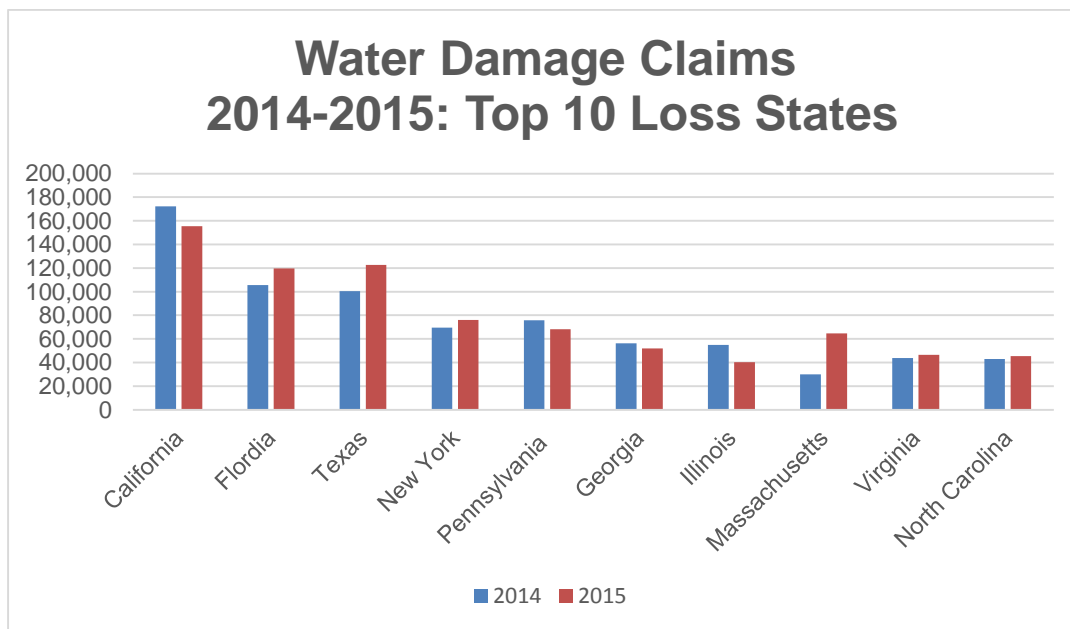
Water Damage Claims By Loss State

The following table represents the top 10 loss states with the largest combined total Water Damage claims from 2014 through 2015. In 2015, the top 10 loss states represent 56% of the total Water Damage claims in that year. From 2014 through 2015, California had a total of 327,648 claims, 45% more than the second highest state of Florida which had 225,222. Additionally, of the top 10 states, Massachusetts saw a 115% increase in Water Damage claims from 2014 through 2015. The Water Damage claim totals for all states are viewable in the **Appendix**.

Note: Percentages have been rounded to the nearest whole number.

Water Damage Claims 2014-2015: Top 10 States				
State	2014	2015	Total	Percent change 2014-2015
California	172,128	155,520	327,648	-10%
Florida	105,473	119,749	225,222	14%
Texas	100,445	122,527	222,972	22%
New York	69,415	75,975	145,390	9%
Pennsylvania	75,687	68,101	143,788	-10%
Georgia	56,157	51,949	108,106	-7%
Illinois	55,001	40,378	95,379	-27%
Massachusetts	30,081	64,725	94,806	115%
Virginia	43,789	46,455	90,244	6%
North Carolina	42,911	45,496	88,407	6%
Yearly Top 10 Total	751,087	790,875		
Top 10: Percent of Yearly Total	54%	56%		

The following graph shows Water Damage claims for the top 10 loss states from 2014 through 2015.



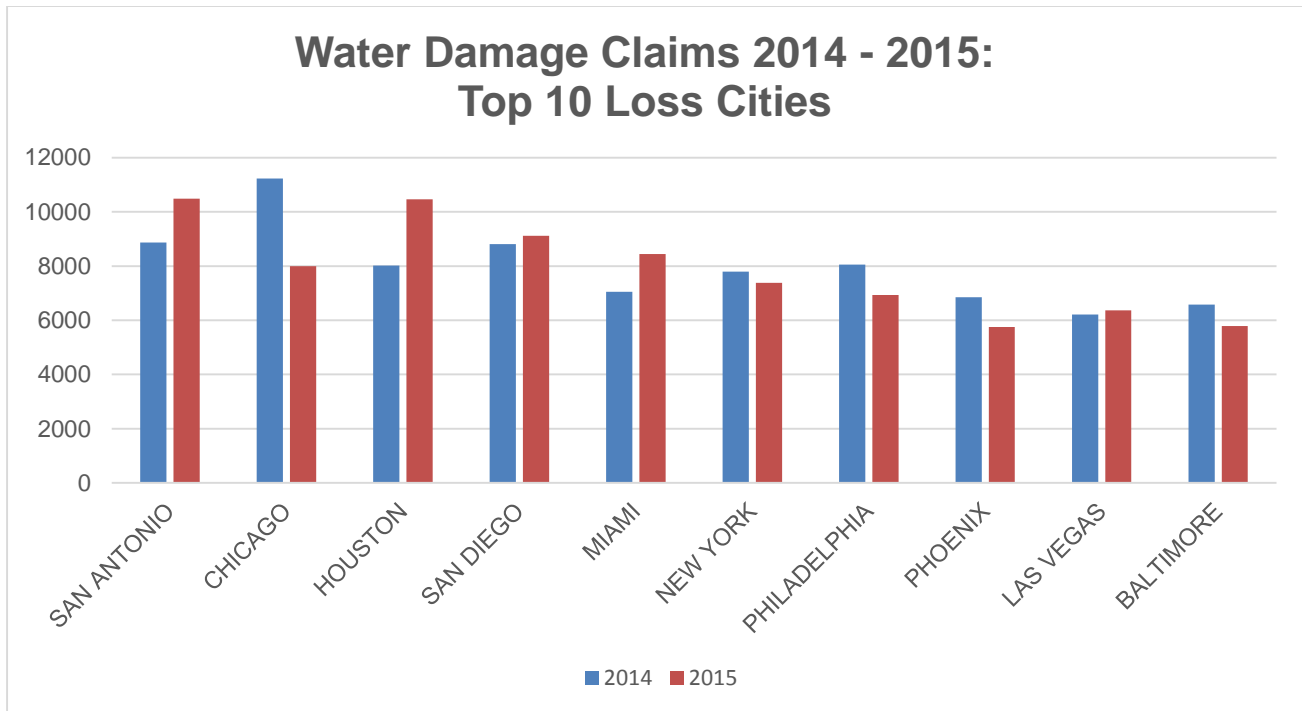
Water Damage Claims By City

The following table represents the top 10 loss cities with the largest total Water Damage claims received from 2014 through 2015. In 2015, the top 10 cities represent 6 percent of the total Water Damage claims during that year. From 2014 through 2015, San Antonio, TX has the highest total amount of claims with 19,344, slightly more than the second highest city of Chicago with 19,230. Of the top 10 cities, Houston, TX had the highest increase (30 percent) from 2014 through 2015.

Note: Percentages have been rounded to the nearest whole number

Water Damage Claims 2014 - 2015: Top 10 Loss Cities				
City	2014	2015	Total	% Change 2014-2015
San Antonio, Texas	8,863	10,481	19,344	18%
Chicago, Illinois	11,234	7,996	19,230	-29%
Houston, Texas	8,022	10,462	18,484	30%
San Diego, California	8,812	9,115	17,927	3%
Miami, Florida	7,045	8,446	15,491	20%
New York, New York	7,794	7,382	15,176	-5%
Philadelphia, Pennsylvania	8,051	6,938	14,989	-14%
Phoenix, Arizona	6,846	5,754	12,600	-16%
Las Vegas, Nevada	6,208	6,363	12,571	2%
Baltimore, Maryland	6,583	5,784	12,367	-12%
Yearly Total Of Top 10 Cities	79,458	78,721		

The following graph shows Water Damage claims for the top 10 loss cities from 2014 through 2015.



Water Damage Claims By Policy Type

The following table shows the top 5 Policy Types identified for Water Damage claims from 2014 through 2015. In 2015, “Personal Property Homeowners” represented a large majority (82%) of all Water Damage claim Policy Types. Also in 2015, Commercial Multi-Peril ranked second, representing only 4% all Water Damage claim Policy Types.

Water Damage Claims 2014- 2015: Top 5 Policy Types			
Policy Type	2014	2015	Total
Personal Property - Homeowners (PPHO)	1,141,245	1,155,325	2,296,570
Commercial Multi-Peril (COMP)	64,399	57,052	121,451
Commercial Property - Other Property (CPOP)	43,608	40,043	83,651
Personal Property - Other (PPOP)	35,056	33,702	68,758
Personal Property - Fire (PPFR)	28,985	37,654	66,639
Yearly Totals	1,313,293	1,323,776	2,637,069

Section 2: Conclusion

A total of 2,792,331 Water Damage claims were identified with a loss date from January 1, 2014 through December 31, 2015. In this timeframe, Water Damage claims increased 1% from 1,389,277 to 1,403,054. January and February were the most active months of the year with an average of 158,087 and 157,136 claims respectively. Conversely, claims were lowest in November and December. January, 2014 had more claims than any other month with 204,581 claims.

Most claims are legitimate, but some are fraudulent. Therefore, it is appropriate for adjusters to review all claims for possible fraud.

APPENDIX

Water Damage 2014-2015 Claims State Totals			
State	2014	2015	Total
CA	172,128	155,520	327,648
FL	105,473	119,749	225,222
TX	100,445	122,527	222,972
NY	69,415	75,975	145,390
PA	75,687	68,101	143,788
GA	56,157	51,949	108,106
IL	55,001	40,378	95,379
MA	30,081	64,725	94,806
VA	43,789	46,455	90,244
NC	42,911	45,496	88,407
OH	42,519	44,701	87,220
NJ	46,889	40,212	87,101

MD	45,117	40,560	85,677
MI	56,246	29,220	85,466
AZ	38,470	33,241	71,711
SC	19,978	33,261	53,239
CO	23,729	26,948	50,677
TN	23,294	25,869	49,163
IN	26,502	22,519	49,021
WA	22,715	24,322	47,037
MN	26,313	14,757	41,070
MO	19,094	20,607	39,701
CT	16,587	21,994	38,581
KY	16,461	20,959	37,420
AL	17,321	16,608	33,929
WI	18,359	13,428	31,787
LA	12,867	14,475	27,342
UT	13,382	13,202	26,584
OR	12,403	13,735	26,138
NV	12,915	12,410	25,325
MS	11,430	11,291	22,721
OK	10,409	11,602	22,011
IA	12,146	9,401	21,547
AR	10,110	11,174	21,284
KS	10,575	10,294	20,869
NM	7,797	8,990	16,787
NH	5,839	9,382	15,221
NE	7,336	7,130	14,466
RI	5,290	8,483	13,773
ME	6,519	6,102	12,621
ID	5,899	5,883	11,782
WV	5,129	5,105	10,234
DE	5,051	4,768	9,819
DC	4,580	4,655	9,235
HI	3,167	3,894	7,061
MT	3,196	3,003	6,199
SD	2,788	2,474	5,262
VT	2,585	2,631	5,216
AK	1,610	1,838	3,448
WY	1,644	1,767	3,411
ND	1,747	1,466	3,213
TOTALS	1,387,095	1,405,236	2,792,331