

# Fore CAST\*\* REPORT

Date: May 2, 2016

Regarding: 2013-2015 United States Hail Loss Claims

(Public Dissemination)

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#### **Executive Summary**

This *Fore***CAST**<sup>SM</sup> illustrates the trends in hail loss claims in the United States (US) submitted from 2013 through 2015. Overall, hail loss claims decreased 21 percent from 2013 through 2015.

Texas was the top state in hail loss claims from 2013 through 2015 with 394,572 hail loss claims. The top 10 states represented 66 percent of the total number of hail loss claims during this timeframe.

"Personal Property Homeowners" (PPHO) was the policy type most affected by hail loss claims from 2013 through 2015. On average, PPHO policies were represented over 50 percent more often than the next most popular policy type (Personal Automobile) in hail loss claims over that three year span.

A national hail loss map provides a visual depiction of the volume and distribution of hail loss claims.

#### Introduction

According to the National Oceanic and Atmospheric Administration (NOAA) (<a href="http://www.ncdc.noaa.gov/billions/events">http://www.ncdc.noaa.gov/billions/events</a>), multiple severe hail storms between 2013 through 2015 have caused billions of dollars' worth of damage across the US. In April, 2015 alone, powerful storms with hail caused widespread damage across Texas, Missouri, and Illinois. Additional storms caused hail damage across the Central, Southeast and Northeast U.S. Each of these storms are estimated by the NOAA to have caused over \$1 billion in damage.

In an effort to identify recent trends in hail loss claims, an analysis of the Insurance Service Office (ISO) ClaimSearch data was performed. Claims containing the loss type "hail" with a loss date between 2013 and 2015 were analyzed.

This report is divided into 2 sections. Section 1 analyzes the overall US hail loss claims from 2013 through 2015. Section 2 contains geographic analysis of hail loss claims by loss state. Finally, an appendix provides totals for all states and policy types included in this report.

#### **Section 1: United States Hail Loss Claims**

A total of 2,116,980 hail loss claims were identified with a loss date from January 1, 2013 through December 31, 2015. Hail loss claims increased 14% between 2013 and 2014; from 720,473 to 824,325. Hail loss claims then decreased 31% between 2014 and 2015; from 824,325 to 572,182 respectively. Overall, from 2013 through 2015, hail loss claims decreased 21% from 720,473 to 572,182.

#### Hail Loss Claims By Loss Month

The following table shows hail loss claims, by loss month, from 2013 through 2015. The majority of hail loss claims occur in the spring and early summer months, between March and July. This is likely due to increased numbers of thunderstorms during this time period. Research performed at the NOAA "Storm Prediction Center"

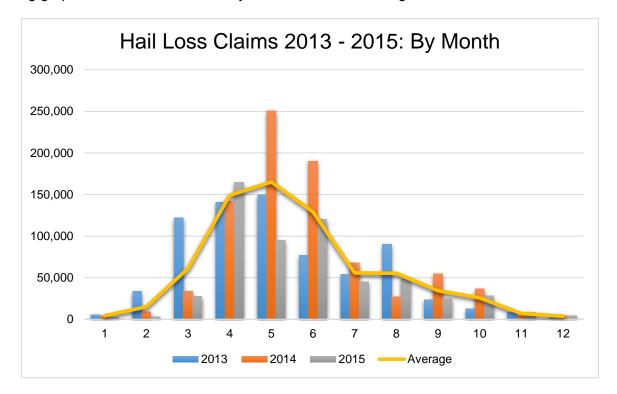


(<u>NOAA Severe Weather Event Summaries</u>) supports these findings. Between 2013 and 2015 NOAA hail reports were found to be most numerous in April, May, June and July, which is reflected in the monthly averages of hail loss claims shown below.

Hail Loss Claims 2013 - 2015: By Month							
Month	2013 2014 2015		2015	Monthly Average			
January	5,826	4,235	2,720	4,260			
February	33,737	8,780	2,890	15,136			
March	121,916	33,966	27,334	61,072			
April	140,984	141,661	164,476	149,040			
May	149,528	250,561	95,171	165,087			
June	76,799	190,225	120,232	129,085			
July	53,983	68,045	44,922	55,650			
August	90,129	27,191	48,615	55,312			
September	23,658	54,892	24,970	34,507			
October	12,569	36,479	28,160	25,736			
November	8,622	3,991	8,437	7,017			
December	2,722	4,299	4,255	3,759			
Total	720,473	824,325	572,182				
Yearly Percent Change	-	14%	-31%				

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

The following graph shows hail loss claims by month from 2013 through 2015.





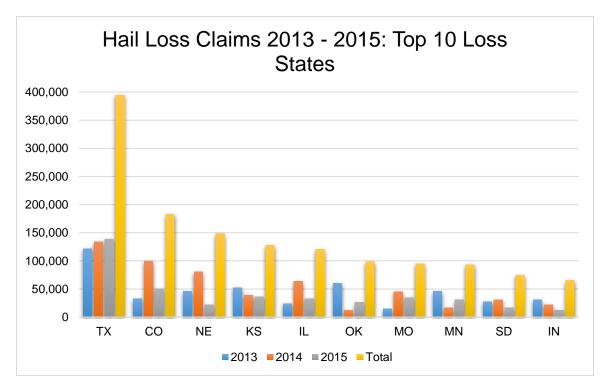
#### **Hail Loss Claims By Loss State**

The following table represents the top 10 loss states with the largest combined total of hail loss claims from 2013 through 2015. These loss states represent 66 percent of the total hail loss claims during this time. Texas was the top loss state with 394,572 claims, or 19% of the total claims between 2013 and 2015. This was more than double the state with the second highest amount of hail claims, Colorado. The hail loss claim totals for all states are viewable in Appendix 1.

Hail Loss Claims 2013 - 2015: Top 10 Hail Loss States							
State	2013	2014	2015	Total	State % of US Hail Claim Total		
Texas	122,005	134,028	138,539	394,572	19%		
Colorado	32,741	99,565	50,285	182,591	9%		
Nebraska	45,860	80,293	22,193	148,346	7%		
Kansas	52,404	39,222	36,337	127,963	6%		
Illinois	24,002	63,723	32,788	120,513	6%		
Oklahoma	60,131	11,760	26,302	98,193	5%		
Missouri	14,703	45,264	34,953	94,920	4%		
Minnesota	45,860	16,688	30,641	93,189	4%		
South Dakota	27,819	30,634	16,428	74,881	4%		
Indiana	30,733	21,996	12,552	65,281	3%		
<b>Yearly Top 10 State Totals</b>	456,258	543,173	401,018	1,400,449			
Top 10: % of Yearly Total	63%	66%	70%	66%			

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

The following graph shows hail loss claims for the top 10 hail loss states from 2013 through 2015.





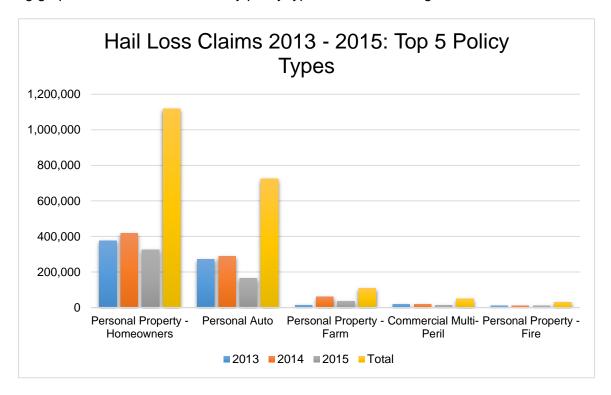
#### **Hail Loss Claims By Policy Type**

The following table represents the top 5 policy types identified in hail loss claims from January 1, 2013 through December 31, 2015. The top 5 policy types below represented 96% of the total hail loss claims during this time. The policy type "Personal Property Homeowners" was the top policy type with 1,118,469, or 53 percent of the total number of hail loss claims between 2013 and 2015. The policy type claim totals for all states are viewable in Appendix 1.

Hail Loss Claims 2013 - 2015: Top 5 Hail Loss Policy Types							
Policy Type	2013	2014	2015	Total	% of US Policy Type Total		
Personal Property - Homeowners	376,076	418,410	323,983	1,118,469	53%		
Personal Auto	270,519	288,342	164,882	723,743	34%		
Personal Property - Farm	14,122	59,892	34,463	108,477	5%		
Commercial Multi-Peril	17,996	18,403	12,772	49,171	2%		
Personal Property - Fire	8,340	10,449	10,808	29,597	1%		
Yearly Top 5 Policy Totals	687,053	795,496	546,908	2,029,457			
Top 5: % of Yearly Total	95%	97%	96%	96%			

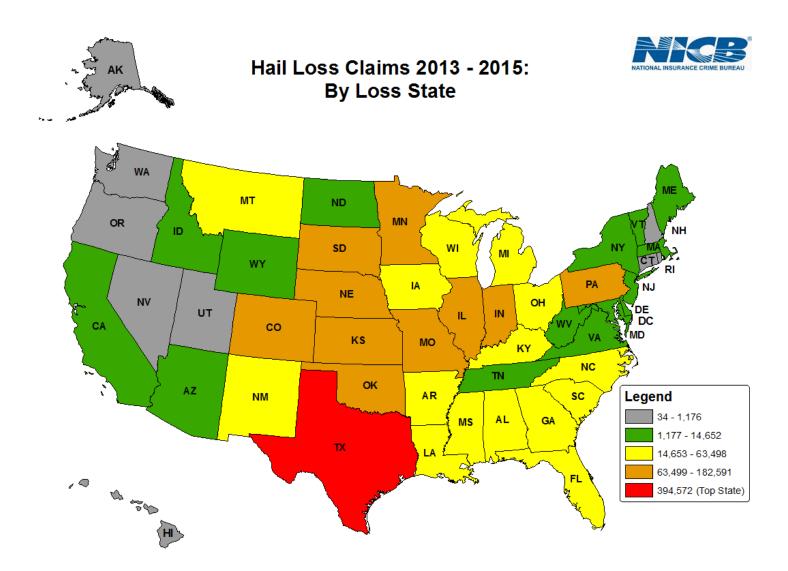
Note: Percentages have been rounded to the nearest whole number.

The following graph shows hail loss claims by policy type from 2013 through 2015.





### **Section 2: Geographic Analysis**





## Appendix

Hail Loss Claims 2013 - 2015						
State		2014		Total Count		
AK	<b>2013</b>	11	<b>2015</b>	Total Count		
AL	_	3,594		15,910		
AR	8,292		4,024			
AZ	2,951	5,018	11,866	19,835		
	4,165	2,751	7,736	14,652		
CA	805	1,223	1,554	3,582		
CO	32,741	99,565	50,285	182,591		
CT	242	140	94	476		
DC	12	15	19	46		
DE	43	2,828	69	2,940		
FL	7,990	11,569	10,822	30,381		
GA	47,309	6,420	9,769	63,498		
HI	58	42	18	118		
IA	18,228	35,031	8,739	61,998		
ID	3,442	780	466	4,688		
IL	24,002	63,723	32,788	120,513		
IN	30,733	21,996	12,552	65,281		
KS	52,404	39,222	36,337	127,963		
KY	3,815	8,688	10,475	22,978		
LA	34,735	10,016	7,534	52,285		
MA	228	199	5,980	6,407		
MD	1,244	1,749	3,744	6,737		
ME	91	60	1,362	1,513		
MI	2,850	9,665	5,064	17,579		
MN	45,860	16,688	30,641	93,189		
MO	14,703	45,264	34,953	94,920		
MS	42,291	2,107	1,750	46,148		
MT	7,832	20,588	4,762	33,182		
NC	6,831	11,868	11,296	29,995		
ND	3,906	2,809	2,060	8,775		
NE	45,860	80,293	22,193	148,346		
NH	59	104	193	356		
NJ	136	3,467	288	3,891		
NM	8,162	10,267	18,857	37,286		
NV	436	205	172	813		
NY	2,427	5,546	720	8,693		
ОН	13,973	8,933	7,038	29,944		
OK	60,131	11,760	26,302	98,193		
OR	416	598	162	1,176		
PA	6,620	48,923	8,667	64,210		
RI	49	21	28	98		
SC	4,842	25,400	5,583	35,825		
SD	27,819	30,634	16,428	74,881		
TN	3,907	6,729	1,909	12,545		
TX	122,005	134,028	138,539	394,572		
UT	527	181	188	896		
VA	1,312	3,803	3,186	8,301		
VT	29	3,515	107	3,651		
WA	184	277	187	648		
WI	16,770	19,518	11,364	47,652		
WV	967	1,499	1,044	3,510		
WY	6,030	4,995	2,254	13,279		
Total	720,473	824,325	572,182	2,116,980		



Hail Loss Claims Policy Totals 2013 - 2015					
Policy Type	2013	2014	2015	Total	
Boat Owners	226	365	313	904	
Boiler and Machinary	1	1	2	4	
Cargo	3	1	5	9	
Commercial Automobile	8,470	7,707	5,444	21,621	
Commercial Farm Policy	3,369	4,238	3,242	10,849	
Commercial Inland Marine	97	182	143	422	
Commercial Multi-Peril	17,996	18,403	12,772	49,171	
Commercial Ocean Marine	4	2	1	7	
Commercial Property - Allied/Other	877	1,238	555	2,670	
Commercial Property - Other Property	2,085	1,793	1,353	5,231	
Commercial Property Business Owners	2,587	3,246	2,000	7,833	
Commercial Property Fire	1,614	1,479	1,229	4,322	
Livestock	0	14	7	21	
Mobile Equipment	3	8	11	22	
Personal Auto	270,519	288,342	164,882	723,743	
Personal Property - Allied/Other	613	688	505	1,806	
Personal Property - Farm	14,122	59,892	34,463	108,477	
Personal Property - Fire	8,340	10,449	10,808	29,597	
Personal Property - Homeowners	376,076	418,410	323,983	1,118,469	
Personal Property - Inland Marine	37	79	43	159	
Personal Property - Marine	3	12	5	20	
Personal Property - Mobile Home	8,221	3,895	6,927	19,043	
Personal Property - Other	5,203	3,881	3,489	12,573	
Property	7	0	0	7	
Total	720,473	824,325	572,182	2,116,980	