

NEWS BRIEF



After making landfall as a Category 4 storm in Florida's Big Bend region, Hurricane Helene sped inland with a path of devastation, bringing historic flooding, millions of power outages and causing more than 90 deaths in multiple states.

Coming ashore as the strongest hurricane on record to hit the Big Bend region of Florida, Helene traveled an estimated 600 miles from Florida's Gulf Coast through Georgia, North and South Carolina, and Tennessee.

"This has been an absolutely devastating storm across the southeast U.S," said AccuWeather Chief Meteorologist Jon Porter in a statement, adding that Helene "shattered" records for storm surge in Florida. Porter added, "We're going to be dealing with tens of billions of dollars in damage and economic impacts from this storm."

The western part of North Carolina around Asheville experienced severe flooding, while the tiny island community of Cedar Key, Florida, was "flattened." In a news briefing, North Carolina Gov. Roy Cooper called Helene's devastation "... an unprecedented tragedy." Georgia Gov. Brian Kemp said parts of his state looked "like a bomb went off," per news reports.

While tallies for insured losses will continue to develop, multiple estimates put losses to the private insurance industry between \$3 billion and \$5 billion. The National Flood Insurance Program (NFIP) is also expected to sustain heavy losses, although flood insurance take-up rates remain low in many areas.

Moody's RMS unit reported that nearly 162,000 commercial properties with estimated loss exposure of \$425.9 billion lay in the projected path. The firm's analytics division offered an analysis of potential economic losses between \$20 billion to \$34 billion.

Moody's broke down its estimate into \$15 billion to \$26 billion in property damage, with the remainder relating to disruption and lost economic output.

"This puts the price tag well above Idalia's, but below storms from earlier this decade like Ian and Ida, which hit more populated areas in Florida and Louisiana, respectively," said Moody's in a Sept. 27 report. "In all likelihood, Helene's scale and trajectory will mean that an outsize share of its cost comes from disruption rather than damage."

Ahead of the storm, modeler CoreLogic predicted losses between \$3 billion and \$5 billion for wind and storm surge and said about 25,000 homes were at risk of storm surge flooding. CoreLogic also reported that with a radius of 35 miles, Helene's size echoed 2005's Hurricane Katrina.

According to reinsurance broker Guy Carpenter, Helene skirted the major cities of Tallahassee and Atlanta, limiting "worst-case scenarios of insured losses" of over \$10 billion.

"Helene's impact on the insurance industry will manifest in three distinct elements of the event: storm surge along the west coast of Florida (most specifically historic Tampa Bay storm surge), wind damage well inland due to fast forward speed and large size of Helene (evidenced by 3M+ customers without power through the Carolinas), and a historic flood event in the southern Appalachian mountains," Guy Carpenter said in a report issued on Sept. 27.

"This event will be predominantly a primary insurer loss rather than a significant ceding of loss to reinsurers," the broker said, adding that this storm could rank among the Top 10 losses for the NFIP.

While Helene traveled a similar path to 2023's Hurricane Idalia, ratings agency AM Best said it expects higher losses due to Helene's size and strength. Idalia caused between \$2.5 billion and \$4 billion, the firm noted, and Helene is projected to carry a \$5 billion price tag for insurers, the firm said.

"The actual magnitude will depend upon the determination of perils (flood vs. wind) that caused the damage, as well as business interruption losses (based on the length of power outages, repair costs, and demand surge). Helene's strong wind fields stretched over a much wider area, accompanied by coastal storm surges and inland flooding. Helene's impacts reach significantly further from its center compared to Idalia's 150 miles," said AM Best.

AM Best also sounded an alarm for Florida's property insurance specialists, particularly newer companies that have depopulated the state's property insurer of last resort, Citizens Property Insurance Corporation over the last year.

"This could be a stress test for the newly formed takeout companies that are thinly capitalized," said AM Best.

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