

Claims Scuttlebutt

Insurance happenings in Florida, Louisiana, Texas and North Carolina

Scuttlebutt: Naval term for drinking fountain where the latest news is shared.

Hurricane Helene

Expansive storm brought historic wind and flood damages

1000 Year Rain Event

Coastal Carolinas unnamed storm causes \$7 billion in damage.

Hurricane Francine

Expected insured losses to reach \$1.5 billion.

Repeat NFIP flood claims

Over 252,000 properties identified with repeat flood claims costing billions.

Florida Property Market

The Florida Property market evidence of strengthening.



NOAA via AP / National Oceanic and Atmospheric Administration

Deadly Hurricane Helene leaves widespread devastating flooding

Hurricane Helene came ashore as a powerful Category 4 storm in Florida's Big Bend late Thursday night. It was the third hurricane to make landfall in the area in 13 months, and it was the strongest hurricane recorded ever in the Big Bend. The storm was unusually large, with hurricane-force winds extending 60 miles from its center and tropical-storm-force winds reaching 310 miles away.

In addition to the powerful, expansive winds, Helene brought historic storm surge along Florida's western coast including what was warned to be "unsurvivable" in areas nearest to landfall. More than a foot of rain fell in Florida, Georgia, and the Carolinas with nearly 30 inches of rain in parts of North Carolina. In its wake was catastrophic flooding in Florida through the Carolinas, Georgia and Tennessee leaving millions of people without power. At least 95 deaths had been linked to the storm.

[Hurricane Helene Recap](#)

Unnamed storm floods Carolina

On September 17, coastal North Carolina experienced a one in 1000-year rain event recording 18" of rain in just 12 hours. The storm was the result of a tropical system that developed off the coast, but it never organized enough to be named. The rain resulted in flash flooding in several areas of North Carolina. Regardless, the deluge of rain was accompanied by strong wind gusts up to 77 mph adding to more property damages.

This was the fifth flood and rain event of its kind in North Carolina in the past 25 years, three of which were not part of hurricanes. It is expected that the economic impact of this unnamed storm will reach \$7 billion

[Coastal Carolina Gets 1000-Year Rainfall](#)

[5th historic flood in 25 years deluges North Carolina Coast](#)



Image: New Hanover County Fire Rescue

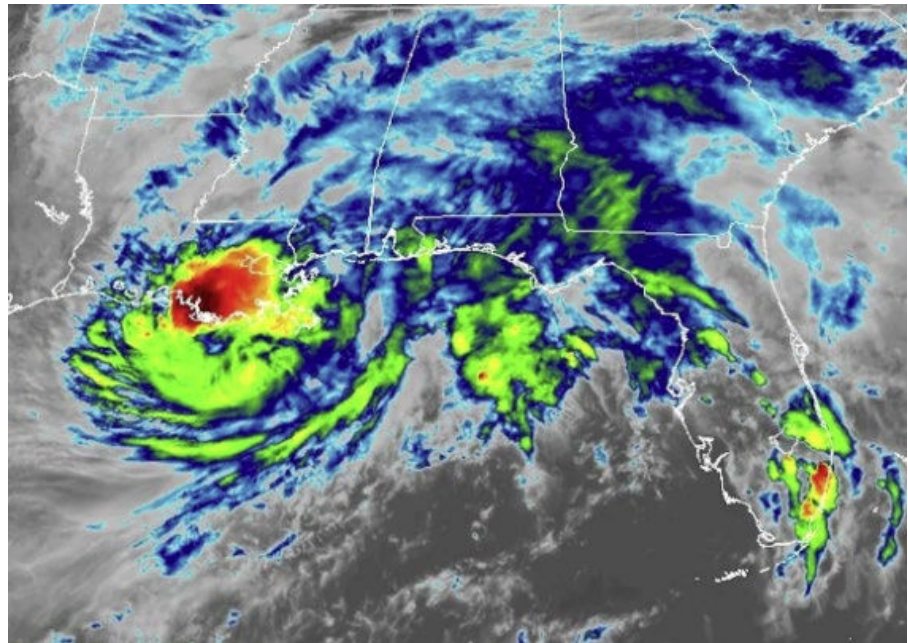


Image: NOAA

Hurricane Francine makes landfall in Louisiana

Hurricane Francine made landfall as a CAT 2 hurricane on September 11. It is anticipated that the damages will result in \$1.5 billion in insured losses in Louisiana, according to catastrophe risk modeler CoreLogic. This figure accounts for damage to buildings, contents, and business interruptions but excludes inland flooding and National Flood Insurance Program losses.

Louisiana's property insurance market is already strained following previous hurricanes, particularly Laura and Ida, which together caused \$25 billion in insurance claims and led to the collapse of several insurers. Francine's impact is expected to exacerbate this crisis, with the storm striking a similar region as Ida.

AccuWeather estimates the total economic loss from Hurricane Francine to be around \$9 billion, including damage to infrastructure, roadways, vehicles, and power outages, which contribute to secondary impacts such as food spoilage and disruptions to medical care.

[Will Hurricane Francine escalate Louisiana property insurance crisis?](#)

Repetitive Flood claims cost billions

A recent study identified more than 252,000 properties that were repetitive loss properties (RLPs) that had multiple claims for federal flood insurance, costing the National Flood Insurance Program (NFIP) billions. Four states—Louisiana, Texas, Florida, and New York—make up over half of these claims, with Louisiana leading at over 43,000 properties.

FEMA has recently published data on properties with two or more NFIP claims, enabling the Natural Resources Defense Council (NRDC) to create a mapping tool called *Flooded Again* to visualize these RLPs. Climate change, combined with outdated infrastructure and risky development, is cited as a major factor in increasing flood damages. Despite the growing flood risk, only 16% of RLPs have had mitigation efforts such as elevating buildings, and only 13% of single-family homes have federal flood insurance.

The NRDC suggests several reforms, including updating floodplain development standards, improving flood-risk mapping, making flood insurance more affordable for low- and middle-income households, and ensuring home buyers and renters are informed of their flood risk.

[Over 250,000 US Properties With Repeated NFIP Claims](#)

[Flooded Again: Flood Data Visualization Tool](#)

Florida Property Insurance Market Strengthening

Florida Insurance Commissioner Michael Yaworsky reports positive developments in Florida's property insurance market. He highlights there have been nine new insurers approved to conduct business in Florida, and national carriers like State Farm and Progressive are expanding their presence.

Other indicators of market strengthening include several metrics. Overall reduction in the average rate increase filings and even some carriers filed to decrease rates. Reductions in the average costs for reinsurance for the first time in several years. Greater participation in the Citizens Depopulation program.

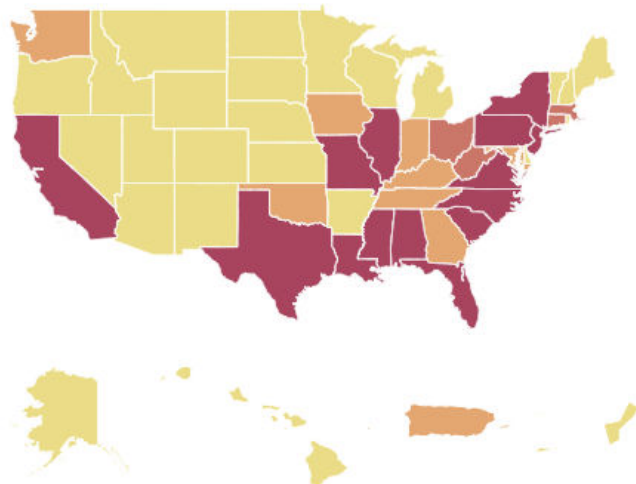
These developments follow the state's 2023 insurance reforms aimed at stabilizing the market, attracting more insurance companies to Florida and reducing policyholder reliance on Citizens Property Insurance.

[Florida Insurance Commissioner statement](#)

HOW MANY PROPERTIES HAVE FLOODED REPEATEDLY?

Total # of Properties by State

0-1,500	1,500-2,800	2,800-3,800	3,800-41,041
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OVER 252,000 PROPERTIES HAVE REPEATED FLOOD CLAIMS



FEMA defines repetitive loss properties (RLPs) as buildings that filed at least two damage claims with the National Flood Insurance Program (NFIP). FEMA uses two definitions of repetitive loss for different programs: either a property had at least two claims over \$1,000 each in a 10-year period, or it had two claims (at any time) that averaged at least 25% of the building's value. As of 2024, there are over 250,000 RLPs in 54 states and territories. Texas and Louisiana alone have over 40,000 RLPs each.

Keep in mind that a property will only meet the definition of an RLP based on its flood insurance claim history—so uninsured properties aren't included, even if they have experienced multiple damaging floods. The Society of Actuaries estimates that 87% of flood damages to single-family homes are not covered by NFIP insurance.

Click the arrows below to explore some characteristics of RLPs and learn about policy solutions to reduce flood risk for everyone.

Core Logic 2024 Wildfire Risk Report

The *CoreLogic 2024 Wildfire Risk Report* provides an in-depth analysis of wildfire risks across the U.S., with a focus on increasing wildfire frequency and severity due to climate change. Key findings include:

- As of mid-July 2024, over 24,000 wildfires had burned more than 3 million acres nationwide. California, with over 3,800 wildfires, remains highly vulnerable.
- More than 2.6 million homes in the western U.S. are at moderate or higher wildfire risk, with a total reconstruction cost value of \$1.2 trillion. California, Colorado, and Texas have the highest number of at-risk homes, particularly in Wildland-Urban Interface (WUI) areas.
- In response to the risk, California introduced regulatory changes in 2024, allowing insurers to use catastrophe models in ratemaking if they expand policy writing in high-risk areas.



Image: Sam Craft / Texas A&M AgriLife Marketing and Communications

The report also emphasizes the importance of wildfire mitigation strategies and risk strategies. This study evaluated risk reduction at both individual and community levels, aiming to lower insurance premiums in WUI areas.

[Key Insights from the 2024 CoreLogic® Wildfire Risk Report](#)

Progressive Insurance Stops Writing New Homeowners Policies in Texas

Progressive Insurance joins four other carriers slowing or exiting Texas homeowner's insurance market. Progressive has restricted new homeowners (HO3) policies for certain agents in Texas, citing a need for long-term stability in the property market.

In 2024, severe weather had a major impact on Progressive's business, with Texas accounting for nearly 40% of the company's severe weather losses, while Florida, Colorado, Missouri and Nebraska combined accounted for only 30% of their storm losses. The U.S. experienced 15 individual billion-dollar loss events in the first half of 2024, far above the average annual rate of 8.5 events.

Texas has faced a significant increase in direct losses due to exposure to multiple catastrophe risks including flooding, hurricanes, wind, hail, and severe winter storms. Texas insurance premiums have been struggling to keep pace with the losses when considering these risks and rising labor costs, material shortages, and inflation that are affecting the construction costs nationally.

[Progressive restricts Texas Homeowners policies amid high storm losses](#)

Louisiana Fortify Homes Program Extended

Louisiana Fortify Homes Program was extended indefinitely by House Bill 120. The program provides a lottery system for grants of \$10,000 to upgrade and strengthen their roofs to better withstand severe storms and hurricane force winds. This will allow the homeowner to apply for lower insurance premiums when the upgrades are complete. The most recent round of applications were due September 20. Commissioner of Insurance Timothy Temple's announcement can be found [here](#).

Louisiana Legislature Repeals 3-Year Rule

Louisiana repealed the three-year rule, which prevented insurance companies from raising deductibles or canceling homeowner policies that had been in effect for more than three years. House Bill 611 was signed by Gov. Jeff Landry earlier this year and went into effect on August 1, 2024. Under the new law, insurers will be able to cancel up to 5% of policies annually, provided the cancellations are spread across different parishes.

The repeal is part of Insurance Commissioner Tim Temple's effort to create a "free market" for insurers in Louisiana, aiming to attract more competition and lower premiums. The three-year rule was considered the largest obstacle for attracting more carriers to write homeowner's policies in Louisiana.

Opponents of the repeal, including many Democrats, argue that the three-year rule was essential for preventing more policy cancellations and further rate hikes. They reject the notion that Louisiana's insurance crisis is due to regulations, instead blaming the state's vulnerability to frequent and severe hurricanes, which caused several insurers to leave or go bankrupt between 2020 and 2021.

[Louisiana Legislature repeals law blocking homeowner's insurance cancellations](#)



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